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**U.S. Department of Education**

Rod Paige  
*Secretary*

**Institute of Education Sciences**

Grover J. Whitehurst  
*Director*

**National Center for Education Statistics**

Robert Lerner  
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**Elementary/Secondary and Libraries Studies Division**

Jeffrey Owings  
*Associate Commissioner*

**Elementary/Secondary Cooperative System and Institutional Studies Program**

Lee McGraw Hoffman  
*Program Director*

The National Center for Education Statistics (NCES) is the primary federal entity for collecting, analyzing, and reporting data related to education in the United States and other nations. It fulfills a congressional mandate to collect, collate, analyze, and report full and complete statistics on the condition of education in the United States; conduct and publish reports and specialized analyses of the meaning and significance of such statistics; assist state and local education agencies in improving their statistical systems; and review and report on education activities in foreign countries.

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Contact:

NCES  
Frank Johnson  
(202) 502-7362

Eunice Ave  
U.S. Census Bureau  
(301) 763-1571  
1-(800) 437-4196

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# **THE NATIONAL PUBLIC EDUCATION FINANCIAL SURVEY**

## **OVERVIEW**

The **National Public Education Financial Survey (NPEFS)** is a key component of the U.S. Department of Education's Common Core of Data (CCD), the annual collection of basic information about the nation's public elementary and secondary schools. The CCD consists of five surveys: The School Universe Survey, Local Education Agency Universe Survey, Local Education Agency Finance Survey (F-33), State Non-fiscal survey, and the National Public Education Financial Survey (NPEFS).

NPEFS collects school finance data derived from administrative and fiscal records from the 50 state education agencies (SEAs), the District of Columbia, and five outlying areas under U.S. jurisdiction: American Samoa, Northern Marianas, Guam, Puerto Rico, and the Virgin Islands.

## **HOW FISCAL DATA ARE USED**

### **Federal grants**

Data from the NPEFS survey are used to calculate a State per Pupil Expenditure (SPPE) that is used in the formula for allocating a number of federal program funds to states and school districts, including:

- ◆ Title I of the Elementary and Secondary Education Act of 1965 as amended by the No Child Left Behind Act (Title I),
- ◆ Impact Aid
- ◆ Indian Education

Other programs make use of SPPE data indirectly because their allocation formulas are based, in whole or in part, on State Title I allocations. These include:

- ◆ Educational Technology State Grants (Title II, Part D),
- ◆ Education for Homeless Children and Youth Program under Title VII of the Stewart B. McKinney Homeless Assistance Act,

- ◆ Teacher Quality State Grants Program (Title II, Part A),
- ◆ Safe and Drug-Free Schools and Communities Programs.

The data are used in determining grant allocations, state fiscal submissions and records and may be audited by the Office of the Inspector General of the U.S. Department of Education, as well as authorized representatives of the Comptroller General of the United States. The Single Audit Act of 1984 requires that audits may be conducted by non-federal auditors and the U.S. General Accounting Office.

Please see the section in this manual entitled, “NCES Response,” for a discussion of overpayments of allocations and the recovery of funds.

### **Other Uses of NPEFS Data**

State and local government officials and policymakers use NPEFS data to compare and contrast their state’s ranking in the various categories of revenue and expenditure with other states. They can also use the information in the Local Education Agency survey for information on school district finances by state. Researchers, and private education trade groups also make use of the data supplied by NPEFS for papers, briefings, and background for presentations to private and public entities.

### **Publications**

NCES publishes fiscal data reported by states in many different types of publications, ranging from the Statistics in Brief series (tabular displays of fiscal data) to the annual Digest of Education Statistics. The most recent Statistics in Brief is Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2001-01 (NCES 2003-362). Other NCES publications include The 2002 Digest of Education Statistics (NCES 2003-060) and State Profiles of Public Elementary and Secondary Education (NCES 2000-304). All NCES publications are available for free by calling ED PUBS toll free at 1-877-433-7827.

## U.S. CENSUS BUREAU

The Census Bureau is the collection agent for NPEFS. All survey data is collected by the Census Bureau and analyzed and edited before being sent to NCES. The relationship between the two agencies and responsibilities for the various aspects of collecting and publishing the data are illustrated below.

Figure 1: Responsibilities of NCES and Census

NCES	CENSUS
<ul style="list-style-type: none"><li>• Sets all parameters and controls for NPEFS data collection;</li><li>• Coordinates and publishes Federal Accounting Handbook;</li><li>• Finalizes all scheduling;</li><li>• Resolves all subject matter and data issues;</li><li>• Sets up all training sessions, workshops, and conferences;</li><li>• Prepares data for Title I office;</li><li>• Publishes and disseminates final data for all CCD surveys.</li></ul>	<ul style="list-style-type: none"><li>• Collects data and maintains all databases;</li><li>• Edits and analyzes data;</li><li>• Sets-up and maintains all survey instruments including Internet site;</li><li>• Maintains all aspects of crosswalk applications;</li><li>• Participates in respondent training and conferences;</li><li>• Maintains and runs imputation program;</li><li>• Provides final data set of NPEFS data to NCES</li><li>• Coordinates and publishes CCD Fiscal newsletter.</li></ul>



## **Data Collection**

The Census Bureau collects NPEFS data in two ways:

- Accepts data via survey form (hard copy), electronic file, or Internet form.
- Accepts data via Crosswalk software output. The Crosswalk Project is described below.

## **Fiscal Crosswalk Project**

As part of the NPEFS survey, NCES funds the "Crosswalk Project." This project creates a computer program that crosswalks data from a state's format to the NPEFS survey. It is administered by the Census Bureau.

Through this project, an extensive study is made of the participating state's accounting and reporting systems. A program for translating the data from the state's system to the NPEFS survey is then developed with assistance and review by the state's data coordinator. Detailed fiscal data from the state is then entered into the program, which combines or disaggregates the data as necessary to meet NPEFS requirements.

This process has identified difficulties the states are likely to encounter in attempting to report fiscal data in accordance with NCES standards. The Crosswalk Project has enabled NCES to tailor training to individual states and to develop a protocol for state fiscal coordinators to use in responding to the survey.

The Crosswalk Project has recently added enhancements to its data review programs. These enhancements are discussed in more detail in the crosswalk manual mailed to all states.

## **Fiscal Data Plan**

The fiscal data plan contains a list of questions that are sent out with the survey package as well as put up on the Internet site for interactive response. These questions help the Census Bureau and NCES to properly analyze each state's data submission. The fiscal data plan:

1. Requests information about each state's chart of accounts;
2. Catalogs each states response to questions raised about subject matter areas, e.g., grants, changes in reporting due to GASB statements, etc.;
3. Gathers information about new initiatives that affect elementary-secondary fiscal reporting, e.g., school choice, charter schools.

## **STEPS IN DATA COLLECTION CYCLE**

- The data collection cycle begins with the issuance of the Federal Register Notice. This notice can be found on the Internet at:  
<http://www.ed.gov/legislation/FedRegister>.
- The Federal Register notice outlines the authority for collecting this survey's data and also lists the survey deadlines, submission methods, and addresses for contacting NPEFS survey staff.
- Census staff sends out a letter to all fiscal respondents requesting any changes to the crosswalk software. The letter also asks whether there are any states that wish to have their data "translated" using crosswalk software.
- Census mails out the survey package to all states and territories concurrent with the availability of the Internet site.
- The first deadline for NPEFS submission is March 15<sup>th</sup> or as soon as possible thereafter.
- The last day for original submissions of NPEFS data is the first Tuesday after Labor Day.
- All reported data is reviewed and respondents are queried about data anomalies.
- A reported data file containing all state and territory data is forwarded to NCES for their review and concurrence.

- The imputation program is run on all state's data that do not report on standard, or have missing or combined data.
- The states review and concur with the imputed data for their state on-line.
- NCES gives final review and concurrence on the entire data set.
- The data is forwarded to the Title I office of the Department of Education.
- Key data items are published by NCES in the "Statistics in Brief" report and the complete data file is released on the NCES website.

Figure 2. is a table with the schedule for the NPEFS data collection cycle for Fiscal Year 2003.

**Figure 2. NPEFS Schedule**

NPEFS Schedule FY 2003 Data Collection	
November, 2003	Request to states for updates to crosswalk software
February 2004	Federal Register Notice
February 17, 2004	Mail out survey packages Survey and fiscal data plan available on NPEFS Internet site
February 25-27, 2004	Management Information Systems Conference, Portsmouth, VA
March 15, 2004	Due Date - NPEFS submission
March 15 – October 15, 2004	Editing and analysis of NPEFS Data

NPEFS Schedule FY 2003 Data Collection	
Mid-April 2004	New coordinator training
May 14, 2004	Non-response follow-up
May 2004	New Coordinator's Training
June 18, 2004	Non-response follow-up
July 26-30, 2004 July 29, 2004	Summer Data Conference and Forum CCD Awards
Mid-August 2004	Non-response follow-up Chief State School Officer non-response letter
September 7, 2004	Last data to submit original NPEFS data
November 2004	Imputed data on NPEFS Internet site
December 2004	NCES final review and concurrence
January 2005	Final data to Title I office

## Survey Contacts

### *NCES*

If you wish to address questions to the NCES Project Director, you may contact him at the listing below:

Frank Johnson  
National Center for Education Statistics  
1990 K Street, N.W.  
Washington, D.C. 20006-5651  
Telephone: (202) 502-7362  
Fax: (202) 502-7475  
Email: [Frank.Johnson@ed.gov](mailto:Frank.Johnson@ed.gov)

### ***Census***

Respondents should call Eunice Ave at the Census Bureau with questions regarding proper procedures for completing the survey form (Telephone 1-(800) 437-4196, FAX (301) 457-3035, Email [npefs.govs@census.gov](mailto:npefs.govs@census.gov)). However, questions about a particular method of completing a survey item should not be considered resolved until a designated NCES staff member responds in writing. The NPEFS staff consists of the following and may be reached at the 800 number and FAX number above:

Mary M. Church:	Crosswalk Coordinator/Team Leader <a href="mailto:mary.m.church@census.gov">mary.m.church@census.gov</a>
Freda M. Spence:	Imputations/Web-Based Applications/Team Leader <a href="mailto:freda.m.spence@census.gov">freda.m.spence@census.gov</a>
Osei Ampadu:	Survey Analyst/Data review <a href="mailto:osei.l.ampadu@census.gov">osei.l.ampadu@census.gov</a>

### ***State CCD Coordinators***

Every state education agency has a CCD coordinator who acts as a liaison between NCES and the SEA and who facilitates NCES data requests. To obtain the name of the CCD coordinator for your state, contact your state department of education or visit the CCD web site list of coordinators at: <http://nces.ed.gov/ccd/ccMembersFis.asp>.

## **HOW TO SUBMIT FISCAL DATA**

Final fiscal data on the survey to be used for federal program allocations are due by electronic submission or at the address indicated below on or before 4 p.m. (Washington, D.C., eastern standard time) on the Tuesday following Labor Day.

NPEFS survey data is collected in several formats. You may mail a hard copy of the survey to the address listed below, or you may send in your survey data using one of the electronic formats made available through the Internet site and electronic mail. You may also submit NPEFS data by CD or diskette.

### **Instructions for Electronic Data Submissions**

#### ***Transmissions via Internet***

NPEFS data and the fiscal data plan may be submitted using the interactive internet form developed by the Census Bureau. Instructions for using this method of data transmission will be explained more fully in the NPEFS package sent to CCD fiscal coordinators in February. The URL for this site is:

**[www.census.gov/govs/www/npefs.html](http://www.census.gov/govs/www/npefs.html)**

### ***Transmissions in other electronic formats***

If the data are submitted using another electronic format (e.g. spreadsheets) or database files, you may submit these files via the Internet. In particular, large database files should be sent to the Census Bureau via the File Transfer Protocol (FTP). If you wish to submit your NPEFS data using FTP you should follow the directions below.

### **BEFORE BEGINNING, please rename your file to include:**

- 1) The **state abbreviation** of your state
- 2) The **year** of data
- 3) The survey name, i.e., **NPEFS**

For example, the filename for California is **CA2003NPEFS**.

Instructions for sending files FTP are on the NPEFS Internet site at the URL above.

You may also send your submission as an E-mail attachment. Send your document as an attachment to the following E-mail address:  
***npefs@census.gov***.

### ***Submitting Crosswalk Data***

Instructions for the electronic submission of NPEFS crosswalk data can be found in the Crosswalk Instruction Manual that is sent to all states that are participating in the crosswalk program for FY 2003.

### **Instructions for Mail Submissions**

Regular mail submissions of the survey form must be postmarked by midnight of the day following Labor Day. Survey forms sent by express mail must be

postmarked by midnight September 7<sup>th</sup>. An SEA must show one of the following as proof of mailing:

1. A legible U.S. Postal Service dated postmark.
2. A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.
3. A dated shipping label, invoice, or receipt from a commercial carrier.
4. Any other proof of mailing acceptable to the Secretary of the U.S. Department of Education.

If the survey form is mailed through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing:

1. A private metered postmark.
2. A mail receipt that is not dated by the U.S. Postal Service.

Address: Mail the survey form to the Bureau of the Census, ATTN: Governments Division, Washington, DC 20233-6800.

The address for FEDEX or U.P.S. or hand delivery is:

Governments Division  
Bureau of the Census  
8905 Presidential Parkway  
Washington Plaza II, Room 508  
Upper Marlboro, MD 20772

## **Instructions for Prior Year Data Submissions**

For Federal allocation purposes, NCES will only accept changes to fiscal data from SEAs for up to one year after the first Tuesday after Labor Day (Labor Tuesday) deadline. The revised data will go through the same edit process and will be published as final data about 18 months after the Labor Tuesday closeout. NCES will only accept changes that result in a decrease in SPPE and are received before the month of February following the Labor Tuesday deadline. These data will be forwarded to the U.S. Department of Education offices that use SPPE to calculate program allocations.

## **Record Keeping Requirements**

### ***Retain documentation of survey preparation***

Each state education agency must retain copies of completed fiscal survey forms and all documentation on the preparation of SPPE data for at least five years (as required by the U.S. Department of Education's regulations at 34 CFR 80.42). This documentation includes all finance and program records, supporting documents (such as worksheets and spreadsheets), statistical records, SEA publications, internal guidelines and control document; and any other records that are pertinent to program regulations or grant agreements.

For example, the FY 2003 survey (for the 2002-2003 school year) should be retained in state education agency archives until January 1, 2007.

### ***Documentation requirements***

Documentation on the preparation of the fiscal survey should include the following information:

- Name of the person who calculated the totals on the fiscal survey, his or her title;
- The Department of Education reports that were relied upon to obtain the aggregate numbers;
- A list of the LEAs and other agencies (e.g., schools for the deaf) that were included or excluded from the calculations
- The item detail (spreadsheets) that resulted in each subtotal and total;
- Documentation for the calculation of average daily attendance.



### ***Working files - internal guidelines***

NCES strongly recommends that each SEA maintain spreadsheets, databases, or other working files of fiscal data each year. State education agencies should also develop guidelines and controls for the preparation of the fiscal survey. Establishing internal guidelines and controls is important because they provide continuity when staff assignments change and different individuals work on the survey.

### ***Designation of authorized state official***

The written memo designating the "authorized state official" who certified the accuracy of the fiscal submission also must be retained. Federal auditors from the Office of the Inspector General and non-federal auditors frequently review fiscal survey submissions three to five years after they are submitted to NCES.

## **DATA PREPARATION, COLLECTION, REVIEW, AND SUBMISSION**

### **Fiscal Respondent Preparation Prior to Data Collection**

- **Obtain a copy of the Accounting Handbook.** NCES directs that all SEA staff that respond to the fiscal survey adhere to the definitions and classifications in the NCES accounting handbook, Financial Accounting for Local and State School Systems, 1990 (the "1990 Handbook"). States may order a free copy of the handbook from NCES or the Census Bureau.

Although many states use accounting handbooks that differ from the 1990 Handbook, all states should complete the fiscal survey in accordance with the NCES handbook. In order to do this, some SEAs may have to disaggregate data reported by their LEAs and recombine the data to fit the categories specified in the 1990 Handbook. NCES questions survey responses that do not appear to conform to the generally accepted accounting principles and the 1990 Handbook specifications.

**New Handbook.** In November 2003, NCES released the revised accounting handbook, Financial Accounting for State and Local School Systems: 2003 Edition. NCES recommends implementation of this handbook with the FY 2004 data collection. Although the 2003 edition of the handbook is now available, the FY 2003 NPEFS data elements are based on the 1990 Handbook.

**GAAFR.** NCES also encourages fiscal survey respondents to become familiar with the Government Finance Officers Association (GFOA) publication Governmental Accounting, Auditing, and Financial Reporting, 2001 (GAAFR). This document has gained widespread acceptance as an authoritative statement on the application of generally accepted accounting principles (GAAP) to state and local government.

Appendix C. provides information on obtaining these publications by mail or on-line.

- **Obtain copies of your state's chart of accounts** and a copy of any instructions given to LEAs on reporting revenue and expenditure data to the SEA. Compare the state reporting requirements with those in the 1990 Handbook and determine where they differ.
- **Obtain copies of fiscal surveys submitted previously by your state.** Try to obtain information about the steps taken to complete the survey in the past and about state guidelines or control documents that can assist you. Obtain information about special-purpose districts whose finances should be included in the survey and about expenditures by other agencies for, or on behalf of, LEAs that may not be included in LEA fiscal reports to the SEA.

## **PREPARING AND SUBMITTING COMPARABLE DATA**

### **The Importance of Submitting Comparable Data**

Data submitted by each state and territory in the NPEFS survey must be comparable between the states. The reason comparable fiscal data is essential is because:

- Federal education program offices require comparable fiscal data for determining funding allocations to state and local education agencies. The multiple uses of fiscal data and the wide audience for publications that use the data require that SEA staff use the utmost care in responding to the fiscal survey.
- Statistics from the financial survey are widely compared and analyzed to identify issues and trends in public elementary and secondary school finance and to assess the relative condition of school finance in each state.

- State policy analysts and school finance researchers compare states on the basis of the reported data.
- State-by-state comparisons appear in NCES publications and other U.S. Department of Education publications.

### **Ensuring Comparability of Submitted Data During Data Collection**

Survey respondents can take the following steps to ensure that the fiscal data they submit to NCES are comparable to data submitted by other states.

#### **Step One: Use the correct fiscal year.**

##### ***Standard Fiscal Year***

This year, we are collecting data for fiscal year 2003. For purposes of this report, the fiscal year is the 12-month period beginning July 1 and ending June 30. Some states and LEAs use other fiscal years.

##### ***Non-standard Fiscal Year***

If your state is among those that use a different fiscal year, it is essential to point this out to the Census Bureau staff in a cover letter, e-mail, or “comments” section of the Internet form when submitting the survey.

For example, if a state's 2003 fiscal year ends between July 1, 2002, and June 30, 2003 (e.g., December 31, 2002), the state need only inform Census in a cover letter of the fiscal year being reported (with exact dates). However, if the 2003 fiscal year ends after June 30, 2003 (e.g., August 31, 2003), the state should report revenues and expenditures as of the end of its fiscal year (in this example, August 31, 2003) and inform Census in a cover letter that it has done so. Fiscal data from states whose fiscal year end after June 30 of the reported fiscal year will be footnoted in NCES publications.

### ***Multiple Fiscal Years in a State***

A more complex situation arises when one or more LEAs within a state use a different fiscal year, and the SEA does not require a uniform reporting date. For example, if Chicago's Board of Education fiscal year ends on August 31 and all other LEAs in Illinois end their fiscal year on June 30, the state should report fiscal data for all LEAs except Chicago as of June 30 for that fiscal year and report Chicago's fiscal data as of August 31. This should be noted on your submission by letter, e-mail, or in the comments section of the Internet form.

### **Step Two: Separate reporting for traditional and non-traditional pre-kindergarten-through grade-12 public education programs.**

#### ***Co-curricular pre-K-12 education programs***

The NPEFS survey collects data on both public elementary/secondary education programs and other programs funded by local school districts; however, only public elementary/secondary education program expenditures should be reported under the instruction, support services, and non-instructional services sections of the survey. Examples of public elementary/secondary education programs are:

- Pre-kindergarten (programs from birth to kindergarten)
- Head Start (if funded by school districts)
- Special education
- Vocational education
- Summer school (even when students pay tuition to attend)
- Food Services
- Co-curricular activities
- Safety and driver education
- ROTC

#### ***Other programs***

Programs outside of public elementary/secondary education should be reported under facilities acquisition and construction services, community services and, direct cost programs as appropriate. Only revenues and expenditures of local education agencies (school districts), and those state government expenditures that go toward the operation of state schools should be reported on NPEFS. State direct support for and on behalf of school districts should be considered LEA expenditures for NPEFS reporting purposes. Expenditures for operating the state education agency should not be included in NPEFS. Examples of other programs are:

- School construction

- Day care
- Head Start (if privately funded)
- Adult education
- Continuing education
- Community/junior college
- Community service programs
- School district support for private education

Some states use public funds for programs that benefit both public and private school students (e.g., transporting private school students on public school buses). Expenditures for private school students should be reported on the survey in Part IV.. Direct Program Support for Private School Students or in Part IX. Direct Cost Programs. Instructions for reporting the above non-traditional programs are more fully explained in later sections of this manual.

### **Step Three: Differentiate between "Current Expenditures" and "Total Expenditures."**

#### ***Excluded capital outlay and debt service***

Current expenditures exclude capital outlay and debt service. The GAAFR defines capital outlays as expenditures resulting in the acquisition of or addition to the government's general fixed assets. Fixed assets are defined as "long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances"-including buildings, equipment, other improvements, and land.

#### ***Private sector accounting for fixed assets***

In the private sector, fixed assets are often referred to as property, plant and equipment. Both the 1990 Handbook and 2003 Handbook specifically excludes initial, additional, or replacement purchases of machinery and equipment (tools, trucks, cars, school buses, furniture, and furnishings) from current expenditures. This treatment of current expenditures may differ from state accounting practices and may make it necessary to make adjustments to current expenditures when responding to the fiscal survey.

Total expenditures include capital outlay and expenditures for programs that are outside of public elementary and secondary education.

#### **Step Four: Distinguish between supplies and equipment.**

Distinguishing between supplies and equipment is crucial to accurately reporting expenditures on the National Public Education Financial Survey. The 2003 Handbook (pages 207-211) specifies that purchases of supplies are considered current expenditures while equipment purchases are property expenditures, which are covered by total expenditures but not current expenditures. Although state practices vary greatly on this subject, it is essential to adhere to the guidelines contained in the 1990 and 2003 Handbooks and this Instruction Booklet when responding to the fiscal survey. The decision tree is on page 210 of the 2003 Handbook.

The distinction between supplies and equipment is very important. The reasons are as follows:

- Different accounting procedures are required for supplies and equipment.
- Insurance requirements may also differ for supplies and equipment.
- Some types of funds can only be used to purchase certain items (for example, some funds cannot be used to purchase equipment, and others may not be used to purchase supplies).

This distinction also affects comparisons of state per pupil expenditures and federal funding allocations to LEAs, which usually are based on current expenditures rather than total expenditures. Recall that supplies (600) fall within current expenditures while equipment is considered property (700), and property is excluded from current expenditures. (For more information on this topic, see the 1990 Handbook, pp. 143-145.)

#### ***Criteria***

At one time, the NCES accounting handbook contained extensive lists of items considered to be supplies or equipment. However, such lists quickly become outdated, and they can never be exhaustive. To assist state and local education agencies in categorizing items without using such lists, NCES has developed a "decision tree" diagram with five criteria for distinguishing between equipment and supplies (Instruction Booklet, Figure 3, 1990 Handbook, p. 144b). An item is measured against each of the criteria, starting at the top of the decision tree. At the first "no," the item is designated a supply. Only if the item meets all five criteria is it considered equipment.

The **decision tree** has a bias toward classification of items as supplies rather than equipment because of the long-term responsibilities that are assumed for an item identified as equipment. Unlike supplies, equipment must be inventoried each year of its useful life. Other accounting requirements for equipment include general fixed assets, subsidiary accession ledgers, tagging, and reconciliation of book balance to inventory.

### ***Classifying items***

By way of example, let us classify two items, a new personal computer and a package of CDs. The computer is likely to meet the first criterion--"lasts more than one year."

But let us suppose that the computer begins to malfunction before a year is over. In most cases the computer would be repaired not replaced. Thus, the computer meets the second criterion--"repair rather than replace." The process continues for the remaining criteria: Is it an independent unit? Is the cost of tagging and inventory a small percent of item cost? Did the cost exceed minimum dollar value for equipment established by state or other government unit? Finally, after there is a "yes" answer to all five criteria, the computer would be designated as equipment.

Now let us consider the box of CDs. Although a box of CDs might last for more than a year, when used up, it would be replaced not repaired. Thus, the response would be "no" to the second criterion, and the item would be declared a supply. Although it is not necessary to continue down the list, many of the criteria support the classification of diskettes as supplies rather than equipment. CDs are not independent units. Nor would the cost of keeping inventory on them represent a small percentage of the item cost. All of these criteria strengthen the classification of CDs as supplies.

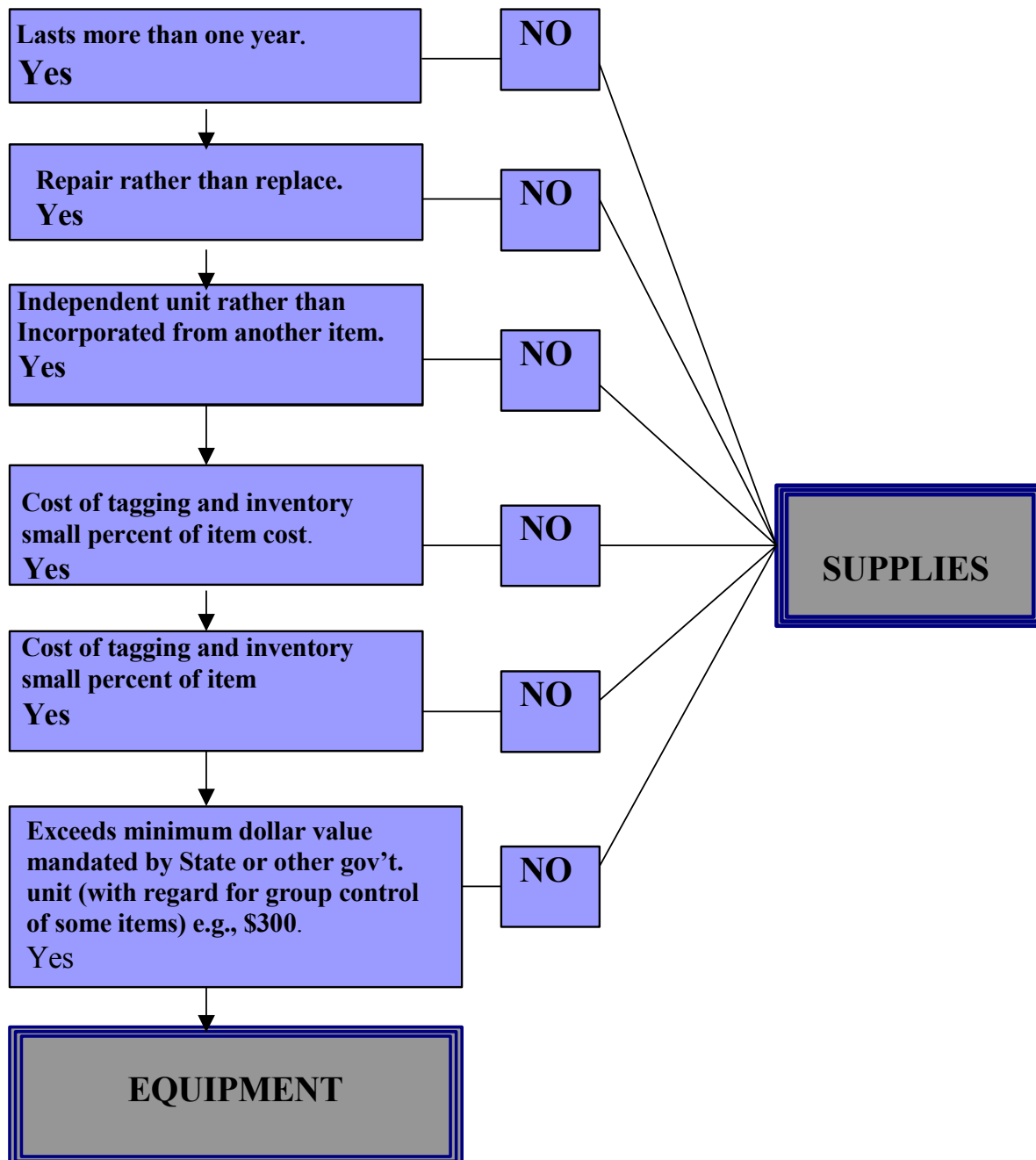
### ***Final Determination for classification***

While the criteria are helpful, survey respondents must exercise judgment in making a final determination about how to classify an item. This is particularly true for items where the distinction is unclear. It is important to remember that there are more stringent accounting requirements for any item designated as equipment and that such equipment must remain in the accounting system throughout its useful life.

Figure 3

## CRITERIA FOR DISTINGUISHING SUPPLIES FROM EQUIPMENT

(Listed in Priority Order)





## **Step Five: Report revenue and expenditure items only once.**

### ***Double Counting by Dependent School Districts***

"Double counting" of revenues and expenditures can occur when fiscal reports are submitted by overlapping political jurisdictions or when one LEA pays tuition to another to educate students who reside in the LEA that pays tuition.

Overlapping political jurisdictions sometimes report the same revenues or expenditures, particularly in the case of "fiscally dependent" school districts. These are districts that do not have the authority to raise revenues by levying taxes but that instead receive funds from another government entity such as a city or county. When an SEA allocates funds to a fiscally dependent school district, the funds are paid to a city or county government rather than directly to the dependent school district. The city or county government then transfers the revenue to the LEA.

As a result, both the school district and the city or county may report these funds as state revenue for education. Double counting may also occur if both the fiscally dependent school district and the city or county from which it receives funds report education expenditures (because the LEA is spending funds provided by the city or county).

### ***Double Counting Tuition Payments by LEAs***

Cases in which one LEA pays tuition to another for educating students may result from the particular organization of some school systems (e.g., several K-9 LEAs send their students to a regional high school that is part of a separate school district). This can also occur when students from one LEA attend school in another LEA in order to participate in a particular program or curricular offering not available in their home school district (e.g., an appropriate special education program for handicapped children). In some school districts (often termed non-operating LEAs), there are no school buildings within an LEA's boundaries and students residing in the LEA must attend school in another LEA.

### ***Excluding tuition amounts from current expenditures***

States must ensure that expenditures made by one LEA to another LEA in the same state are not included in current expenditure totals. Therefore, it is essential that tuition expenditures from LEAs within state be accurately reported. This must be done to ensure that both the "sending LEA" and the "receiving LEA" are not reporting expenditures for the same child.

### ***Including student counts in Average Daily Attendance***

Federal regulations require that when one LEA pays tuition to another for students to be educated by the receiving LEA, the school district that pays tuition counts the students in ADA. The LEA making the tuition expenditure (sending LEA) should count the tuition expenditures and include the students in average daily attendance.

The LEA providing the education (receiving LEA) should claim any tuition received as revenue and may not claim tuition expenditures or the average daily attendance of any child for whom it receives tuition.

### **Step Six: Include expenditures made by SEAs for, or on behalf of, local school districts.**

#### ***Retirement benefits***

States often pay all or part of the retirement benefits for teachers and other LEA employees. They do so by transferring funds from the state treasury to the state employees' retirement fund.

Because school districts are bypassed in these transactions, LEAs do not report the funds to the SEA as either state revenues or as school district expenditures for employee retirement benefits. Yet these payments often represent a large percentage of an SEA's total revenues and expenditures, and substantial under-reporting can occur if the funds are not included in the survey.

#### ***Other on-behalf payments***

Textbooks, computers, student transportation, State textbook and computer purchases, student transportation programs, and school building construction programs are other examples of state revenues and expenditures that may not be reported by LEAs to the SEA. These revenues should be included in state revenues. State direct support expenditures for construction should be reported under Facilities Acquisition and Construction Services. State direct support for instruction, support services, and food services should be reported as expenditures in Part IV. Direct Program Support. It may be necessary for fiscal survey respondents to contact other agencies within their state government to determine if they are distributing revenues and making expenditures on behalf of LEAs in a particular state.

## **Step Seven: Include revenues and expenditures for special school districts:**

### ***Special service school districts***

Special service school districts do not always report their revenues and expenditures to their SEAs (although they may report numbers of pupils served as well as numbers of staff and staff characteristics). Thus, survey respondents must take care to identify special LEAs within their states and to include education revenues and expenditures from those LEAs in the fiscal survey.

State education agency staff may need to contact other state agencies to alert them to the need to provide fiscal data on these special schools and school districts. Revenues and expenditures for these schools and school districts must be reported on the fiscal survey even if they are not classified in your state as "regular school districts" or "local education agencies." However, it is also necessary to remove non-education costs such as medical and room and board costs, particularly in residential facilities.

### Examples of special service school districts

- Schools for handicapped
- Juvenile custodial institutions
- Other special education state-established entities
- Schools for the deaf, blind, and mentally retarded
- Charter schools

**NOTE:** It is important to remember that the **SPPE is used only for determining federal program allocations**—not for making state-by-state comparisons—because significant expenditures have been subtracted by NCES from the SPPE figure.

## **Step Eight: Use the correct method for reporting your state's Average Daily Attendance**

### ***ADA - state law***

The Elementary and Secondary Education Act of 1965 requires that state education agencies calculate ADA in accordance with state law if such laws exist. Thus, if ADA is defined by state law or regulation, the SEA must use that definition to calculate ADA for

the NPEFS survey. The state has no discretion to use another method for calculating ADA.

Survey respondents should become familiar with any state laws regarding average daily attendance as well as instructions or rulings regarding ADA by the Attorneys General of their states.

### ***ADA - NCES definition***

However, if there is no state law or regulation regarding ADA, a state may use the definition provided by NCES. That definition requires an SEA to collect attendance figures from each school or school district in the state on a daily basis and to divide that figure by the actual number of days the school or district is in session. The resulting figures are then added for the entire state.

Regardless of which method is used, states should report an ADA figure that includes every school district, local education agency, and special school for which expenditures are reported.

A more detailed discussion of ADA is in the Expenditures section of this manual.

## **Completing the National Public Education Financial Survey**

The Department of Education requests that each state submit responses for the fiscal data plan and the NPEFS survey. There are several steps that will assist respondents in completing the fiscal survey and ensure that the data are complete and accurate. These steps are particularly important for those who are providing CCD fiscal data to NCES for the first time. Although the Census Bureau has provided several means for reporting your survey data, these instructions may be applied to all submissions.

### **1. Rounding**

Round all numbers to the nearest whole dollar before entering them on the survey. Any value of 0.5 and above should be rounded up, any value below rounded down. Examine one significant digit after the decimal point. For example, 1.50 would be treated as 2, while 1.49 would be treated as 1.

### **2. Missing Data**

DO NOT LEAVE ANY BOXES BLANK. NCES treats boxes left blank as errors to be referred to the SEA for correction. Two possibilities exist when a box is left blank: (1) no revenue was received or expenditure made, in which case the entry should be zero or (2) revenue was received or an expenditure occurred, but the value of that transaction is missing. Where a value was measured and no quantity found, use a "0." Where a value was expected but no value was measured, use an "M." Census will contact states with "M" submissions to request that the data be supplied when they become available.

**We would expect every state to report expenditures of over \$1,000 for each of the following items:**

**Revenues**

Local Revenues:

At least one of four tax revenue items

Individual Tuition

Tuition from other LEAs within state

Earnings on Investments

Food Service

Student activities

State revenues

Federal revenues:

Direct - to LEAs

Indirect - through state governments

Other federal revenues

**Expenditures**

Current: (every item)

Instruction

Support Services

Food Services

Other Expenditures:

Facilities acquisition and construction services expenditures

Non-property (construction)

Existing buildings and land (subtotal)

Equipment (for new and renovated schools)

Other uses - debt service

Interest and redemption of principal

Community services expenditures

Non-property

Property

Exclusions for Title I

Title I expenditures

Title I carryover expenditures

Title V and Title VI carryover expenditures

Average Daily Attendance

### **3. Negative Data**

Negative numbers are not acceptable responses to the items in this collection. This survey requests data on expenditures and revenues made by public elementary and secondary education agencies in the state. Whereas negative expenditures are sometimes used in fund accounting they are not appropriate for reporting expenditures made for specific functions and objects.

### **4. Authorization of NPEFS submission by authorizing official**

In the designated boxes on the cover sheet or using the options provided by the NPEFS web form, provide the name of the responding state and the name and telephone number (including area code and extension) of the person preparing the report. Also, provide the name, title, and signature of the "authorized state official" that must certify the accuracy of the fiscal submission.

NCES requests that this be a fiscal official at the highest level in the SEA (e.g., Assistant Commissioner for Finance, Assistant Commissioner for Research). For the purpose of certifying the accuracy of the NPEFS report, the individual designated as the "authorized state official" MUST have been approved, in writing, by the Chief State School Officer (CSSO).

See Appendix A. for information on the web options for authorization by the designated state official.

## **Data Review Prior to Submitting the NPEFS Survey**

- 1. Check all addition prior to submitting the fiscal survey to NCES.** The most common errors made in completing the survey are mistakes in adding up the subtotals to determine the correct totals. The Internet form has calculated totals for each subtotal and total field. A message will appear in a dialogue box if an addition error is made. See Appendix A. for information about calculated totals in the Internet application.
- 2. Make certain to compare the fiscal survey for the current year with fiscal data from the previous year.** Large differences may indicate errors such as "double counting," including an item in one expenditure function that should be included in another (e.g., placing an item under "Support Services" when it has already been included in "Instruction"), or failure to include an expenditure object (e.g. salaries) in a total. Dramatic changes in average daily attendance may mean that some LEAs have been erroneously included or excluded.
- 3. Review the section in this instruction booklet entitled "Record Keeping Requirements."** Identify the records, notes, and other materials that must be retained in the event of an audit or to assist a future staff member to understand how the submitted numbers were compiled.
- 4. Make certain that the survey is signed or an electronic confirmation is supplied by the "authorized state official."** This person has been designated to certify the accuracy of the submission.

**NOTE:** Initial survey data are due on March 15 of each year or as soon thereafter as possible. If an SEA cannot submit fiscal data by this deadline, the SEA should inform Census in writing of the delay and note the date by which the SEA will be able to submit the fiscal data.

## **NCES Response**

The Census Bureau, under NCES directives, enters the data from each state's fiscal survey data into an electronic database and performs edit procedures to check for internal and longitudinal consistency. Examples of these edits are:

- 1. Total Revenues less than current expenditures**

2. Instruction subtotal less than 50% of total current expenditures
3. Employee benefits greater than salaries in any function
4. Current expenditures for function are reported, without property expenditures
5. Facilities acquisition and construction services (FACS) - non-property less than 50 % of Total FACS expenditure
6. Current expenditures increase more than 12% or decrease more than 1%
7. Exclusions subtotal increases more than 12% or decrease by more than 10%
8. Average daily attendance increases by more than 5% or decreases by more than 2%.

### ***Response to Questionable Data***

Questionable entries are referred to the SEA for verification or correction before publication. All state submissions are acknowledged with letters that include a summary of questions raised during the editing procedures. NCES strongly recommends that states respond in writing to resolve any questions addressed in these letters. All data collected by the Census Bureau is transmitted to NCES for their review and concurrence.

### ***Notification of Chief State School Officers (CSSOs)***

NCES may write to Chief State School Officers to remind them of the March 15 or September response dates. However, states bear the full responsibility for ensuring that fiscal data are submitted to NCES on or about March 15 and that the data have been certified as accurate by the "designated state official." States also bear the full responsibility for responding to questions raised in letters sent to the NPEFS/CCD state coordinator and for revising fiscal data submissions by 4:00 PM no later than the Tuesday following Labor Day.

### ***Recovery of Overpayments***

SEAs should be aware that all fiscal data are subject to audit and that the U.S. Department of Education may seek to recover overpayments based on inaccurate SPPE data for the applicable programs.

## **Other Considerations**

### **Federal Program Classifications**

Congress routinely makes changes in the funding levels, purposes, and even titles of federal education programs. More than half of the programs listed in the 1980 NCES accounting handbook had been combined into block grants or discontinued by 1990. In order to build flexibility into the National Public Education Financial Survey and allow



for the possibility of annual changes in federal education aid programs, no list of programs has been included in either the 1990 Handbook or the Instruction Booklet.

**Catalog of federal programs.** Fiscal survey respondents are urged to become familiar with the Catalog of Federal Domestic Assistance (CFDA), an annual publication of the U.S. Office of Management and Budget (OMB) that lists, describes, and provides uniform code numbers for all federal aid programs including those funded by the U.S. Department of Education. The Catalog is published every June and the catalog update is published every December. It lists over 1000 assistance programs administered by more than 50 federal agencies classified by types of assistance. The U.S. General Services Administration distributes a limited number of the catalogs at no charge to federal, state, and local government offices.

A computerized system is available to answer specific queries regarding domestic assistance programs listed in the catalog. Searches may be requested at designated access points in each state. For information on the use of the Federal Assistance Programs Retrieval System (FAPRS), call the Federal Domestic Assistance Catalog Staff at the telephone number above.

### **New Initiatives and Programs**

New state and federal initiatives and programs require that special instructions be included in the manual to advise respondents on the appropriate classification of their revenues and expenditures. Following are descriptions of two new programs; the Universal Service Fund and Charter Schools:

#### **Universal Service Fund Schools and Libraries Program**

On May 7, 1997, the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services. Up to \$2.25 billion annually is available to provide eligible schools and libraries with discounts, often referred to as the "E-rate," for authorized services. This benefit is supported by the Universal Service Fund. The Fund was established by the Federal Communications Commission (FCC), to provide for affordable access to specified telecommunications services for all communities, regardless of location or economic strata.

#### ***Universal Service Administrative Company***

The not-for-profit Universal Service Administrative Company (USAC) is responsible

for administering the Fund under the direction of the FCC. The Schools and Libraries Division of the USAC administers the schools and libraries (SL) program. This program is popularly referred to as the E-rate program.

***Discounts for schools and libraries***

Eligible schools and libraries may receive discounts, ranging from 20 percent to 90 percent, on authorized telecommunication services. The level of discount is dependent on economic need and location (urban or rural) and is based upon the percentage of students eligible for participation in the National School Lunch or other federally approved alternative mechanisms contained in the Improving America's Schools Act. Libraries use the discount percentage of the school district in which they are located.

Discounts can be applied to commercially available telecommunications services, Internet access, and internal connections. Eligible services range from basic local and long distance phone services, and Internet access services, to acquisition and installation of equipment to provide internal connections. You may find additional information on this program at <http://www.universalservice.org>.

***NPEFS Reporting Instructions for Universal Service Discounts and Revenues.***

If public school districts in your state are participating in the Universal Service SL program, you should account for the revenues or expenditures on the NPEFS survey as follows:

- Any Universal Service Fund SL discounts received during the same fiscal year should not be reported as revenue.
- Any retroactive revenues for previous fiscal years that are received in the current fiscal year via the SL program should be reported "other local revenues."
- Any school district expenditures made as a part of the SL program should be reported in NPEFS under Support Services-Operations and Maintenance (Code 2600 or Facilities Acquisition and Construction Services (for improvements to the property, e.g. , wiring) and in the appropriate object class (purchased services, supplies, or property), for each function.

## **Charter Schools**

A public school charter is generally formed by a contract between an organization and a state or local education agency. The charter or contract authorizes that organization to manage a school's operations outside of many of the rules and regulations governing public schools in the surrounding district.

### ***NPEFS reporting instructions for charter school revenues and expenditures***

Public revenues and expenditures and average daily attendance for charter schools should be reported on the NPEFS form unless these data have already been included in data from LEAs in your state. Funding for charter schools in some states flows directly to charter schools. In other states, funding flows through LEAs. In any case, double counting of data must be avoided.

### ***Report charter school revenues with regular public school revenues***

If not otherwise included, public charter school revenues should be reported along with revenues for regular public schools under the appropriate source. Don't forget to include student fees for textbooks, student activities, etc. in the local revenue items. If you are not getting this information from the charter schools in your state, then you should provide a best estimate.

### ***Break out expenditures into functions/objects***

If possible, the expenditures should be broken out into the functions and objects requested on the NPEFS form. However, if this is not possible, report the expenditures as a total figure under "Expenditures Part IV, Direct Program Support, e. Other Direct Program Support for Public School Students," and a note identifying these expenditures as charter schools should be made in the space provided for specifying program names.

### ***Reporting "Exclusions" data***

Expenditures from Title I, Title V, and Title VI carryover funds must be reported with other Title I and Title VI expenditures in the section titled "Exclusions from Current Expenditures for SPPE" near the end of the form.

### ***Include average daily attendance for charter schools***

The average daily attendance calculation should include students attending charter schools. These students should be treated the same as other public school students in the formula to calculate average daily attendance.

## **NCES Support for Fiscal Respondents**

### ***Processing Assistance***

NCES and the Census Bureau offer training and other types of assistance to states responding to the fiscal survey. NCES and Bureau personnel are available to guide the state coordinators through the survey process by providing answers to processing and subject matter questions throughout the survey processing cycle. States are encouraged to contact either agency with questions about definitions and classifications in the survey. In addition, the Bureau takes steps to ensure that all states respond before all final deadlines and that the appropriate submission procedures are followed.

### ***Conferences and Workshops***

The NCES Elementary and Secondary Education Data Conference held each summer provides training, at NCES expense, for selected SEA personnel who complete the fiscal survey. NCES also holds workshops and demonstrations at the Management Information Systems conference every spring. Details are available approximately three months before each conference by accessing NCES' Internet site at <http://nces.ed.gov/conferences>.

### ***CCD Internet Site***

The CCD web site (<http://nces.ed.gov/CCD>) also has links to the published data, this instruction booklet, and data and the file documentation for the most recent NPEFS survey. The accounting handbook Financial Accounting for State and Local School Systems 1990 is on the web at:

<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R>

## **PUBLIC ELEMENTARY AND SECONDARY EDUCATION REVENUES FROM ALL SOURCES**

### **Discussion of Revenues**

The 1990 Handbook defines revenues as "additions to assets which do not increase any liability, do not represent the recovery of an expenditure, and do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets." The GAAFR adds that revenues are "increases in net current assets of a governmental fund type from other than expenditure refunds and residual equity transfers. General long-term debt proceeds and operating transfers in are classified as 'other financing sources' rather than as revenues."

**Modified accrual accounting.** The GAAFR states that "governmental fund revenues should be recognized when they become measurable and available." The implication of recognizing revenue when it becomes measurable and available is apparent when one considers local property tax revenue. Generally, property tax revenue is recorded even if received as much as 90 days after the end of the fiscal year if the property tax has been billed and property owners are expected to pay promptly. Notice that property tax abatements (reductions) have already been determined and that the school district knows the amount of revenue it expects to collect. In addition, the revenue becomes available when billed.

**Cash basis accounting.** Contrast the approach described above with that of school districts whose accounting systems are on a cash basis. Such school districts would only recognize property tax revenue when received. At the beginning of a property tax collection cycle, these districts may appear to be operating without local property tax funds.

**Revenue from "other sources."** The 1990 Handbook notes that revenue from "other sources" including receipts from bond sales and inter-fund transfers are not considered revenues to LEAs. Typically, bonds are sold to finance long-term construction and property acquisition--not to finance current operations. Inter-fund transfers are not considered revenue because the same revenue would be counted twice: first, when collected and recorded in one fund, and again when transferred to another fund.

The four major sources: local, intermediate, state, and federal. The revenue code number from the 1990 accounting handbook is provided in parentheses. Each of these sources is described below.

## **I. REVENUE FROM LOCAL SOURCES (1000)**

### **Definition**

Revenue from local sources refers to money produced within the boundaries of an LEA that is available for the use of the LEA. These revenues include money collected by another government unit for use by an LEA--for example, revenue raised by a municipal government to fund a dependent school district. School districts that do not have the authority to raise funds directly and that, instead, receive revenues from another unit of government are dependent school districts. Those that have the authority to raise funds directly through local taxes are independent school districts.

Revenue from local sources includes shared revenue--funds raised by another unit of

government and shared in proportion to the amount collected within the LEA.

<p>PUBLIC ELEMENTARY AND SECONDARY EDUCATION REVENUES FROM ALL SOURCES</p> <p><b>I. REVENUE FROM LOCAL SOURCES</b></p>	<p>AMOUNT (omit cents)</p>
<p><b>a. Property Tax (1110)</b> [Include only Ad Valorem taxes. Do not include penalties and interest or dependent district's property taxes here.]</p>	<p>\$ _____</p>
<p><b>b. Non-property Tax (1120-1190)</b> [Include Sales and use taxes, income taxes, penalties and interest on taxes, and other taxes. Do not include dependent district's non-property taxes here.]</p>	<p>\$ _____</p>
<p><b>c. Other Local Government Units-Property Tax (1210)</b> [Include only Ad Valorem taxes for dependent district's property taxes. Do not include penalties and interest here.]</p>	<p>\$ _____</p>
<p><b>d. Other Local Government Units-Non-property Tax (1220-1290)</b> [Include Sales and use taxes, income taxes, penalties and interest on taxes, and other taxes. Include dependent district's non-property taxes here.]</p>	<p>\$ _____</p>

### **Details for Revenue from Local Sources**

**a. Property Tax (1110).** These are "ad valorem" taxes levied by an LEA on the assessed value of real property (e.g., dwellings and commercial property) and personal property (e.g., automobiles, boats) located within the LEA. However, penalties and interest are reported under non-property tax (1140) below. DO NOT report property taxes that go to dependent school districts here; report them in c. Other Local Government Units – Property Tax. State education agencies should instruct LEAs filing comprehensive annual financial reports (CAFRs) to include property taxes billed within the school year and collected within 60 days of the close of the school year.

**b. Non-property Tax (1120-1190).** These taxes include sales and use taxes (1120) imposed upon the sale and consumption of goods and services; income taxes (1130) levied on individuals, corporations, and unincorporated businesses; penalties and interest (1140) on late and delinquent taxes; and "other taxes," such as, revenue raised through licenses and permits. DO NOT include non-property taxes that go to dependent school districts here; report them in 1220-1290.

**c. Other Local Government Units--Property Tax (1210).** This category is used to report property taxes raised by a unit of government for use by a dependent school district. DO NOT include penalties and interest here.

**d. Other Local Government Units--Non-property Tax (1220-1290).** This category is used to report non-property taxes raised by a governmental unit for use by a dependent school district. These taxes include sales and use taxes (1220); income taxes (1230) on individuals, corporations, and unincorporated businesses; penalties and interest (1240) on late or delinquent taxes; revenue in lieu of taxes (1280); and "other taxes" (1290).

<b>I. REVENUE FROM LOCAL SOURCES</b>	
<b>e. Tuition From Individuals (1310)</b> [Include tuition from individuals only.]	\$ _____
<b>f. Tuition From Other LEAs Within The State (1320)</b> [Include tuition from other LEAs within the State only.]	\$ _____
<b>g. Transportation Fees From Individuals (1410)</b> [Include transportation fees from individuals only.]	\$ _____
<b>h. Transportation Fees from Other LEAs Within the State (1420)</b> [Include transportation fees from other LEAs within the State only.]	\$ _____
<b>i. Earnings on Investments (1500-1540)</b> [Include interest on investments, dividends on investments, gains or losses on sale of investments, and earnings on investment in real property.]	\$ _____
<b>j. Food Service (excluding federal reimbursements) (1600-1630)</b> [Include daily sales for reimbursable programs, school lunch programs, school breakfast programs, special milk programs, and non-reimbursable programs. Also include special functions. Federal reimbursements should appear under 4500.]	\$ _____

**e. Tuition from Individuals (1310).** Tuition paid by an individual to attend school in an LEA other than the one in which he or she resides.

**f. Tuition from Other LEAs Within the State (1320).** Tuition from one LEA to another within the same state for educating students (e.g., an LEA pays tuition to another LEA to provide a special program for a student that is not available in the LEA where the student resides).

**g. Transportation Fees from Individuals (1410).** Fees paid by students to be transported to school. Such students usually reside outside the zone of free public school busing established by a school district. Fees paid by students for transportation on school field trips should also be included.

**h. Transportation Fees from Other LEAs Within the State (1420).** Transportation fees from one LEA to another within a state for transporting students.

**NOTE:** Transportation fees from other LEAs outside the state (1430) and from "other sources" (1440) are included in Other Revenues from Local Sources on page 2 of the survey.

**i. Earnings on Investments (1500-1540).** Include interest (1510) and dividends (1520) on investments; gains or losses from the sale of stocks or bonds (1530) (gains from the sale of U.S. treasury bills represent interest income and should be recorded under 1510); and earnings from investments in real property (1540), including rentals and use charges.

**j. Food Service (excluding federal reimbursements) (1600-1630).**

Revenue from students from the daily sales of school lunch, breakfast, and milk programs that are considered reimbursable by the U.S. Department of Agriculture. These programs include the National School Lunch Program (1611), the School Breakfast Program (1612), and the Special Milk Program (1613).

This category also includes revenues from students and adults for the sale of non-reimbursable breakfasts, lunches, and milk--including all sales to adults, the second Type-A lunch to students, and a la carte sales. Include receipts from students, adults, and organizations for the sale of food products and services considered special functions such as athletic banquets, pot-luck dinners, and PTA-sponsored functions.

**NOTE:** Federal reimbursements for food service programs should appear under restricted Grants-in-Aid from the Federal Government Through the State (4500)



<b>I. REVENUE FROM LOCAL SOURCES</b>	<b>AMOUNT (omit cents)</b>
<b>k. Student Activities (1700-1790)</b> [Include admissions, bookstore sales, student organization membership dues and fees, student fees, and other student activity income.]	\$ _____
<b>l. Other Revenue from Local Sources (1330-1340, 1430-1440, 1800, 1900-1990; not 1940)</b> [Include tuition from other LEAs outside the State, and tuition from other sources. Include transportation fees from other LEAs outside the State, and transportation fees from other sources. Include revenues from community service activities operated by an LEA. Include revenue from the rental of real or personal property owned by the school, contributions and donations from private sources, gains or losses on sale of fixed assets of proprietary funds, services provided other LEAs, other local governmental units, other funds, and miscellaneous.]	\$ _____
<b>m. Textbook Revenues (1940)</b> [Include textbook sales and rentals.]	\$ _____
<b>n. Summer School Revenue</b> [Include tuition from students (1310), fees and charges]	\$ _____
<b>Local Sources of Revenue Subtotal (1000)</b> [EXCLUDE tuition from other LEAs within the State (1320) and transportation fees from other LEAs within the State (1420). Sum a-e, g, l-n.]	\$ _____

**k. Student Activities (1700-1790).** Revenue from school and student sponsored activities. These include:

- Admissions fees (1710)
- Fees from school-sponsored activities such as concerts or football games; book sales by students (1720)
- Fees from student sponsored bookstores;
- Dues and fees (1730)
- Fees for student membership in school clubs and organizations; fees (1740),
- Fees for goods and services such as towels, lockers, and equipment; and "other student activity income" (1790).

■

Student transportation fees are reported in the appropriate account under Transportation Fees (1410).

Only revenues that are under the control of LEAs should be reported here. Those revenues that belong to the students do not need to be reported, as long as the expenditures from those funds are not reported on NPEFS.

**l. Other Revenue from Local Sources (1330-1340, 1430-1440, 1800, 1900-1990--except 1940).** This category includes revenue from local sources not included in earlier accounts. These revenues include:

- Tuition from other LEAs outside the state (1330),
- Tuition from other sources (1340),
- Transportation fees from other LEAs outside the state (1430),
- Transportation fees from other sources (1440),
- Revenues from community services activities (1800), operated by an LEA as a community service (e.g., swimming pool, child care program),
- Revenues from the rental (1910) of real or personal property owned by the school (however, the rental of property held for income purposes is reported under 1540);
- Contributions and donations (1920) from private philanthropic foundations, organizations,
- Individuals; gains or losses on the sale of fixed assets of proprietary funds (1930) (gains or losses on the sale of nonproprietary funds are reported in 5300);
- Services provided to other LEAs (1950),
- Services provided to other local governmental units (1960),
- Other funds (1970),
- Miscellaneous local sources not reported elsewhere (1990).

**m. Textbook Revenues (1940).** Revenue from the sale (1941) and rental (1942) of textbooks.

**n. Summer School Revenue.** Include amounts from the following categories for Tuition, fees, and charges paid by students to attend summer school programs. Include tuition, fees, and charges (1310).

**NOTE:** Transportation fees from individuals to attend summer school should be reported in Transportation Fees from Individuals (1410). Summer school revenue received from other school districts should appear in Tuition from Other LEA's within the State (1320).

**ALSO**

**NOTE:** DO NOT include Tuition from Other LEAs Within the State (1320) or Transportation Fees from Other LEAs Within the State (1420) in the Local Revenues Subtotal.

## **II. REVENUE FROM INTERMEDIATE SOURCES**

### **Definition**

Intermediate state education agencies (ISAs) are government agencies that are neither local nor state entities but that operate at an intermediate level between local and state education agencies and that possess independent fund-raising capability. ISAs provide four types of revenue to LEAs: unrestricted grants-in-aid, restricted grants-in-aid, revenue in lieu of taxes, and revenue for or on behalf of LEAs.

Survey respondents should be careful to avoid double counting revenues contributed by ISAs for, or on behalf of, local education agencies. For example, consider a situation in which an ISA receives funds from the state and distributes this money to several local education agencies. Double counting could occur if these funds are reported as revenue by the ISA as well as by the LEAs that ultimately receive the funds.

<p><b>II. REVENUE FROM INTERMEDIATE SOURCES (2000)</b></p> <p>[Include all revenues that can be used for any legal purpose desired by an ISA without restriction. Include revenues that must be used for a categorical or restricted purpose. Include revenues to an ISA in lieu of taxes ISA would have collected its property or other tax base been subject to taxation. Include payments to pension fund by other governmental jurisdiction for the benefit of the ISA, contributions of equipment and supplies, and contributions to fixed assets.]</p>	<div style="border-bottom: 1px solid black; height: 40px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>
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### **Details for Revenue from Intermediate Sources**

**Unrestricted Grants-in-Aid (2100).** Grants from an intermediate unit to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA.

**Restricted Grants-in-Aid (2200).** Grants from an intermediate unit to a local education agency that must be used for a "categorical" or specific purpose.

**Revenue in Lieu of Taxes (2800).** Commitments or payments made out of general revenues by an intermediate unit to an LEA in lieu of taxes the unit would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property or other tax base. This revenue includes payments in lieu of taxes on privately owned property that is not subject to taxation on the same basis as other private property because of an action taken by the intermediate unit.

**Revenue for, or on Behalf of, the LEA (2900).** Commitments or payments made by an intermediate unit for the benefit of an LEA including contributions of equipment and supplies. Such revenue includes payments made for, or on behalf of, an LEA by an intermediate unit to a pension fund for LEA employees.

### **III. REVENUE FROM STATE SOURCES (3000)**

#### **Definition**

Funds from state government agencies provided to local education agencies in the form of grants or other types of allocations. States provide four types of revenue to local education agencies: unrestricted grants-in-aid, restricted grants-in-aid, revenue in lieu of taxes, and revenue for, or on behalf of, LEAs.

<p><b>III. REVENUE FROM STATE SOURCES (3000)</b></p> <p>[Include all revenues that can be used for any legal purpose desired by an LEA without restriction. Include revenues that must be used for a categorical or specific purpose. Include revenues to an LEA in lieu of taxes LEA would have collected had its property or other tax base been subject to taxation. Include payments to pension fund by other governmental jurisdiction for the benefit of the LEA, contributions of equipment and supplies, and contributions to fixed assets.]</p>	<p>\$ _____</p>
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### **Details for Revenue from State Sources**

**Unrestricted Grants-in-Aid (3100).** State grants to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA.

**Restricted Grants-in-Aid (3200).** State grants to an LEA that must be used for a "categorical" or specific purpose.

**Revenue in Lieu of Taxes (3800).** Commitments or payments made out of general revenues by a state to an LEA in lieu of taxes the state would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property. This revenue includes payments in lieu of taxes for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action(s) taken by a state.

**Revenue for, or on Behalf of, the LEA (3900).** State commitments or payments for the benefit of an LEA and contributions of equipment and supplies. Such revenue includes payments made for, or on behalf, of an LEA by a state to a pension fund for LEA employees.

### **IV. REVENUE FROM FEDERAL SOURCES (4000)**

#### **Definition**

Funds provided from federal government agencies directly, or through a state agency, to a local education agency. This category includes unrestricted and restricted Grants-in-Aid Direct from the Federal Government, unrestricted and restricted Grants-in-Aid Through the State, Grants-in-Aid from the Federal Government Through Other Intermediate Agencies, and Other Revenue from Federal Sources, which includes payments in lieu of taxes and contributions to LEAs.

<b>IV. REVENUE FROM FEDERAL SOURCES</b>	
<b>a. Grants-in-Aid Direct from the Federal Government (4100,4300)</b> [Include all revenues that can be used for any legal purpose desired by an LEA without restriction. Include all direct revenue grants to the LEA which must be used for a categorical or specific purpose.]	\$ _____
<b>b. Grants-in-Aid from the Federal Government Through the State (4200,4500)</b> Include all revenues that can be used for any legal purpose desired by an LEA without restriction. Include all revenues through the State as grants to the LEA which must be used for a categorical or specific purpose. Federal reimbursements for food service should appear here.]	\$ _____
<b>c. Grants-in-Aid from the Federal Government Through Other Intermediate Agencies (4700)</b> [Include all revenue grants through an intermediate agency to the LEA.]	\$ _____
<b>d. Other Revenue from Federal Sources (4800, 4900)</b> [Include revenues to an LEA in lieu of taxes LEA would have collected had its property or other tax base been subject to taxation. Include payments made by the Federal Government for the benefit of the LEA, contributions of equipment and supplies, and contributions to fixed assets, and foods donated by the Federal Government to the LEA.]	\$ _____
<b>Federal Sources of Revenue Subtotal (4000)</b>	\$ _____

### **Details for Revenue from Federal Sources**

**a. Grants-in-Aid Direct from the Federal Government--Unrestricted and Restricted (4100, 4300).** Federal grants provided directly to a local education agency that can be used, without restriction, for any legal purpose desired by the LEA (4100). Federal grants provided directly to an LEA that must be used for a “categorical” or specific purpose (4300).

**b. Grants-in-Aid from the Federal Government Through the State--Unrestricted and Restricted (4200, 4500).** Federal grants provided to a local education agency

through the state that can be used, without restriction, for any legal purpose desired by the LEA (4200). Federal grants provided to a local education agency through the state that must be used for a "categorical" or specific purpose (4500). Include Medicaid Reimbursements here.

**c. Grants-In-Aid from the Federal Government Through Other Intermediate Agencies (4700).** Federal revenue provided to a local education agency through an intermediate unit.

**d. Other Revenue from Federal Sources (4800, 4900).** Federal commitments or payments made out of general revenues to an LEA in lieu of taxes it would have had to pay had federal property or other tax base been subject to taxation by the LEA on the same basis as privately owned property or other tax base (4800). This revenue includes payments in lieu of taxes for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action by the federal government. This category also includes other federal commitments or payments for the benefit of an LEA and contributions of equipment or supplies. Such revenue includes federal contributions of fixed assets and donations of food to an LEA (commodities) (4900).

## **V. OTHER SOURCES OF REVENUE (5000)**

<p><b>V. OTHER SOURCES OF REVENUE (5000)</b></p> <p>[Include bond principal and premiums. Accrued interest realized from the sale of bonds should be included when permitted by State law. Include amounts available from the sale of school property or compensation for the loss of fixed assets. Do not include proprietary funds gain on sale of fixed assets here, but in 1900.]</p>	<p>\$ _____</p>
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**Bond Sales (5100).** Revenue from the sale of bonds including bond principal (5110) and premium (5120). Accrued interest (5130) from the sale of bonds should be included only when state law permits.

**Inter-fund Transfers (5200).** Amounts available from another fund that will not be repaid.

**Sale or Compensation for Loss of Fixed Assets (5300).** Proceeds from the sale of fixed assets. Report gains from the sale of fixed assets of proprietary funds under Other Revenue from Local Sources--Gains or Losses on Sale of Fixed Assets (1930) (proprietary funds are funds generated by Enterprise Operations).

**NOTE:** Do not include Revenue from Other Sources (5000) when calculating Total Revenue.

## **PUBLIC ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES**

### **Distinguishing Between Current and Total Expenditures**

Current expenditures for Public Elementary and Secondary Education includes salaries, employee benefits, purchased services, supplies, and tuition expenditures to districts out-of-state or to private schools. It excludes expenditures for property and other assets and for programs that are outside of free public education. Current Expenditures for Public Elementary and Secondary Education is the most commonly reported statistic on public school expenditures, and is often referred to as simply “current expenditures.”

Total Expenditures includes current expenditures plus expenditures for property, school construction, community services, and direct cost programs (e.g., adult education, community colleges, and support for private schools). Most NCES publications, including the Digest of Education Statistics report a larger total expenditure than is calculated on the NPEFS form. This larger total expenditures includes Direct Support for Private Schools and Interest Payments on Long-term Debt, in addition to the total expenditures from the NPEFS survey. NPEFS data providers should use the total as defined on the NPEFS survey in reporting data to NCES.

### **Programs Included in Current and Total Expenditures**

The 1990 Handbook notes that Current Expenditures includes all spending for regular elementary and secondary education programs (pre-kindergarten through grade 12), special education, vocational education, co-curricular activities and athletics, enterprise operations, ROTC, driver education, and summer school (even when students pay tuition



to attend). Programs EXCLUDED from Current Expenditures, but covered by Total Expenditures include Direct Cost Programs (such as, support for nonpublic school students, adult/continuing education, and community/junior centers, colleges) and community services programs (such as, school-sponsored day care swimming pools, and programs for the elderly). To assist respondents in maintaining this distinction, programs included in Current Expenditures appear in Parts 1 – 4 of the survey and those that are added to produce Total Expenditures are in parts 6 – 10.

Figure 4 shows the categories that comprise total and current expenditures.

### ***Special note on property expenditures***

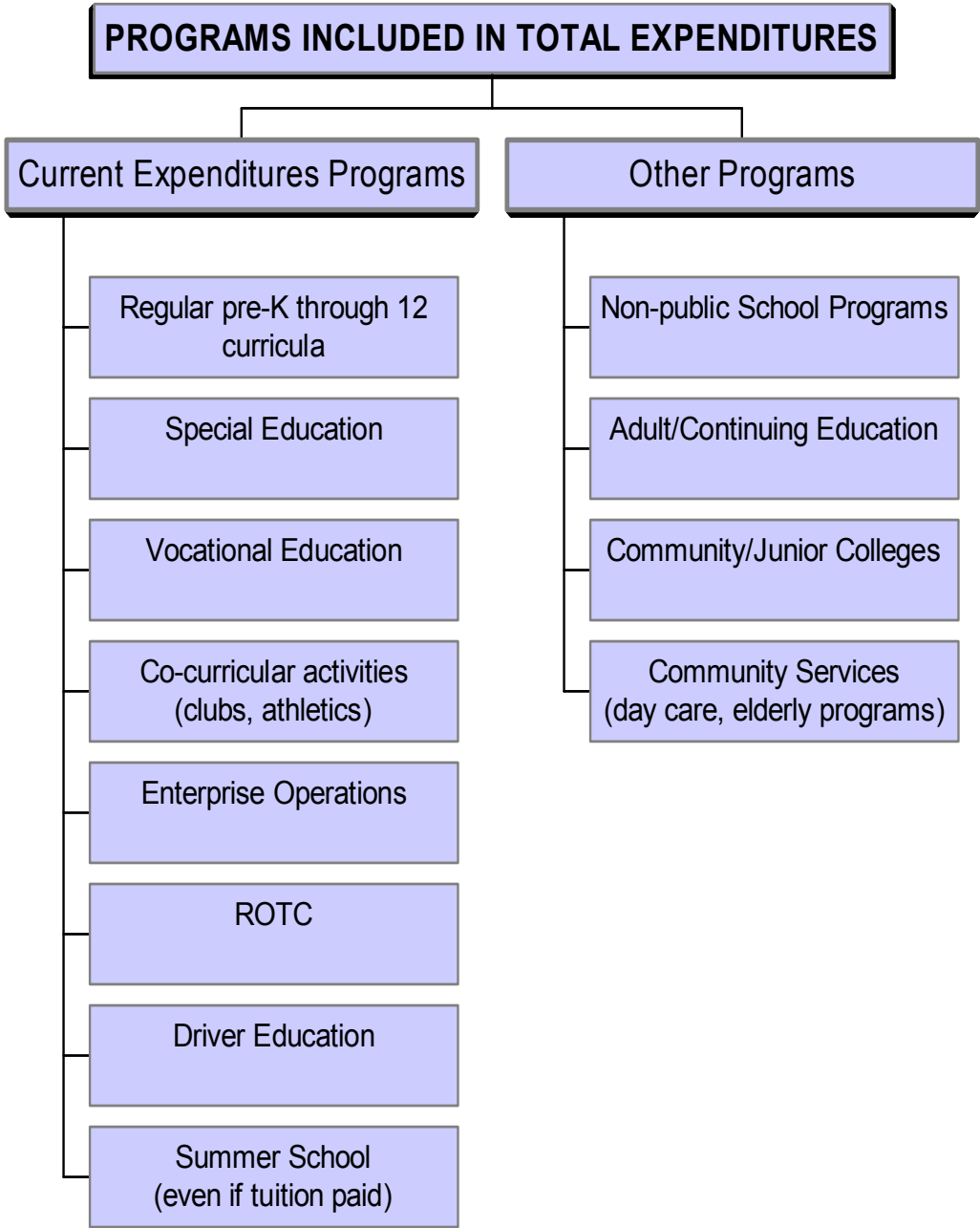
Although a property item (700) appears in each expenditure category (e.g., Instruction, School Administration Support Services), property is not a component of Current Expenditures. Instead property expenditures are totaled in a separate section of the fiscal survey (X. Property [700] for inclusion in Total Expenditures. For the survey's purposes, property is synonymous with machinery and equipment. For criteria to assist in making the distinction between supplies and equipment, see the section in this instruction booklet, "Distinguishing Between Supplies and Equipment."

### ***Special Note on Enterprise Operations***

Although SEAs often exclude Enterprise Operations from Current Expenditures, enterprise activities are considered a component of Current Expenditures in the Financial Survey and for purposes of calculating federal program allocations to state and local education agencies. This is because activities such as school food services and student athletics may be operated as businesses supported primarily by fees and charges. If so, these activities are categorized as Enterprise Operations.

Enterprise Operations may receive subsidies from local or state education agencies to make up for deficits not covered by fees. Government expenditures made to Enterprise Operations are included in Current Expenditures, however, revenues from fees or other charges are subtracted in calculating Current Expenditures. For more information, see Public Elementary and Secondary Education Expenditures, Part III.b. in this manual. [Operation of Non-instructional Services--Enterprise Operations].

Figure 4.



## **Expenditure Categories Included in NPEFS Survey Survey**

The National Public Education Financial Survey uses the following three primary categories of expenditures:

1. **Functions.** These identify the major types of services and activities provided by local school systems:

Instruction (1000)

Support Services (2000)

Operation of Non-instructional Services (3000)

Facilities Acquisition and Construction Services (4000)

Other Uses (Debt Service) (5000)

The 1990 Handbook designates a 4-digit number to each of these functions. The survey form, both the hard copy and electronic versions references these function codes. In addition, the survey includes two major expenditure categories that do not have function numbers: Direct Program Support and Direct Cost Programs.

### ***Direct Program Support***

Includes state expenditures for textbooks, student transportation, public school employee benefits, and programs for private school students

### ***Direct Cost Programs***

Includes LEA expenditures for programs that are not part of the regular elementary and secondary education curricula (pre-kindergarten through grade 12), such as nonpublic school programs, adult education, and community/junior college programs.

2. **Sub-functions.** Within the Support Services (2000) function, there are nine sub-functions. They include:

Student Support Services (2100)

Instructional Staff Support Services (2200)

General Administration Support Services (2300)

School Administration Support Services (2400)

Operations and Maintenance (2600)

Student Transportation Support Services (2700)

Other Support Services (2500,2800,2900)

3. **Objects.** The Financial Survey breaks down spending for the major functions and sub-functions by specific types of expenditures called objects. Object codes (in parentheses) are from the 1990 accounting handbook. Objects include:

Salaries (100)  
Employee benefits (200)  
Purchased services (300-500)  
Supplies (600)  
Property (700)  
Other (800)

(Instructional expenditures include two additional objects--tuition paid by an LEA to another LEA within a state and tuition paid by an LEA to an LEA in another state or to a private school.) Let us take a close look at the object categories.

### **Salaries**

Salaries (100) includes both payroll salaries and "supplemental amounts for additional duties" such as coaching, supervising extracurricular activities, bus supervision, and summer school teaching. Salaries are reported under the function or sub-function to which the staff are assigned. For example, salaries for teachers fall under Instruction (1000) while salaries for school bus drivers would be reported under Student Transportation (2700).

**In cases where staff serves in more than one capacity**, their salaries should be distributed, when feasible, among the appropriate functions or sub-functions on an FTE basis. For example, if a department chair spends three periods per day on administrative duties and two periods teaching math, three-fifths of the chair's salaries should be reported under School Administration Support Services (2400) and two-fifths under Instruction (1000). (The department chair's employee benefits would be pro rated between the two categories in the same proportion. [See Employee Benefits, below.]

Teachers and Student Support Services staff are more likely to be assigned to supervise athletic and extracurricular activities than Operations and Maintenance or Student Transportation staff. Similarly, teachers and administrative staff are more likely to receive paid sabbatical leave than Operations and Maintenance or Student Transportation staff.

### **Employee benefits**

Employee benefits (200) are expenditures for staff that are made in addition to gross salary and "not paid directly to employees" (1990 Handbook, p. 102). They include amounts paid by, or on behalf of, an LEA for fringe benefits such as group insurance (including health benefits for current and retired employees), social security contributions, retirement contributions, tuition reimbursements, unemployment compensation, worker's compensation, and other benefits such as unused sick leave.

### **Purchased services**

The purchased services (300-500) object covers many types of services including (1) purchased professional and technical services, (2) purchased property services, and (3) other purchased services (e.g., student transportation services, certain types of insurance [not employee benefits], communications and advertising, printing and binding, tuition, food services management, and travel).

### **Supplies**

The 1990 Handbook defines supplies (600) as "items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances."

### **Property**

For purposes of the survey, property (700) is synonymous with machinery and equipment.

### **Other Expenditures**

Other expenditures (800) include dues and fees paid by LEAs on behalf of instructional staff for membership in professional or other organizations. Miscellaneous expenditures for goods and services not classified above are also reported here.

### **Direct Program Support**

Direct Program Support is not a function itself but a category that cuts across all functions. These are expenditures made by state education agencies for, or on behalf of, local education agencies. States provide Direct Program Support primarily for textbooks, transportation, employee benefits, and support for private school students. However,

states may also provide other types of Direct Program.

If a Direct Program Support expenditure can be identified with a particular function or sub-function, or broken down among several functions or sub-functions, the expenditures should be reported accordingly. However, if the expenditure cannot be identified with a particular function or sub-function or prorated among them, survey respondents should report the entire expenditure under the separate Direct Program Support section of the survey.

This is particularly important in the case of employee benefits. In some states, SEAs make contributions to a pension fund or other benefit program for LEA employees. If such contributions can be broken down by function or sub-function, they are reported under employee benefits (200) in the appropriate category.

However, if these expenditures cannot be broken down, which is often the case, the entire sum should be reported under Direct Program Support. State contributions for employee benefits often go directly from the state treasury to a particular fund without passing through the local education agency. Therefore, it is important for survey respondents to check with state agencies to determine whether the state has made such contributions.

## I. INSTRUCTION (1000)

<p>PUBLIC ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES</p> <p><u>I. INSTRUCTION (1000)<sup>1</sup></u></p>	
<p><u>1. Salaries (100)</u> [Include gross salary of those involved in instruction (see footnote) while on the payroll of the LEA.]</p>	<p>\$ _____</p>
<p><u>2. Employee benefits (200)</u> [Include amounts paid by the LEA in behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]</p>	<p>\$ _____</p>
<p><u>3. Purchased services (300-500; exclude 560)</u> [Include the services of teachers or others who provide instruction to students. Include computer-assisted instructional (CAI) expenditures, travel for instructional staff and per diem expenses. Exclude tuition (560).]</p>	<p>\$ _____</p>

<b>4. Tuition (562, 563, 569)</b> [Include tuition to other LEAs outside the State, tuition to private schools, and other tuition. Exclude (561).]	\$ _____
<b>5. Tuition to Other LEAs Within the State (561)</b>	\$ _____
<b>6. Supplies (600)</b> [Include items that are consumed, worn out or deteriorated through use. Examples include classroom teaching supplies, audiovisual supplies, books and periodicals. Do not include energy expenditures.]	\$ _____
<b>7. Property (700)</b> [Include tangible property of a more or less permanent nature, other than land or buildings or improvements thereon. Examples are machinery, tools, trucks, cars, furniture and furnishings.]	\$ _____
<b>8. Other (800)</b> [Include dues and fees paid by LEAs on behalf of instructional staff for membership in professional or other organizations.]	\$ _____
<b>Instruction Expenditures Subtotal (1000)</b> [DO NOT include tuition to other LEAs within the State (561) or Property (700) in this subtotal.]	\$ _____

## **Introduction**

Instruction encompasses all "activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. [It] may also be provided through some other approved medium such as television, radio, telephone, and correspondence" (1990 Handbook). For example, salaries for teachers should be reported under Instruction (1000) while salaries for school bus drivers should be reported under Student Transportation (2700).

## **Staff**

Instructional staff include regular and part-time teachers, teachers' aides, homebound teachers, hospital-based teachers, substitute teachers (including permanent substitute teachers), teachers on sabbatical leave, and classroom assistants of any type who assist in the instructional process, including clerks and graders. Report supplemental amounts for additional duties such as coaching or supervising extracurricular activities, bus supervision, and summer school teaching.

***Supervisory staff excluded*** DO NOT include salaries, benefits, or other expenditures for principals or principals' offices, head teachers serving as principals, full-time department

chairpersons, supervisors of instruction, teaching school nurses, or librarians. However, expenditures for department chairpersons who teach part time may be included if their departmental and teaching expenditures cannot be prorated using full-time equivalent (FTE) ratios. (Information needed to prorate expenditures is not always available to an SEA.) DO NOT include salaries or other expenditures for non-teaching staff who perform duties to which teachers may be assigned but that do not include instruction such as detention or lunch supervision.

### **Activities**

Include the purchased professional services of teachers or others who provide instruction to students (including expenditures for computer-assisted instruction.

Include amounts for Tuition expenditures. These amounts include tuition paid to LEAs outside the state for instruction of elementary and secondary school students (grades pre-K through 12), tuition paid to private schools, and other tuition.

Include amounts for Tuition to Other LEAs within the State. This category includes ONLY tuition paid to other LEAs within the state for instruction of elementary and secondary school students (pre-K through 12).r instructional supplies. Examples include classroom teaching and audiovisual supplies, textbooks, workbooks, other books (including reference books), and periodicals that are prescribed and available for general use. This category includes textbooks purchased to be re-sold or rented and the cost of binding or other repairs to textbooks or library books.

### ***Student Body Activities***

There is no separate section in the survey for reporting Student Body Activity expenditures, instead, these expenditures are included in Instruction. Salaries for staff such as athletic coaches should appear in instructional salaries (100). Staff benefits, if provided, should be reported in employee benefits (200). When applicable, expenditures should also be reported under purchased services (300-500), supplies (600), property (700), and other (800).

Student Body Activities refer to school-sponsored programs such as co-curricular activities and athletic programs that supplement regular instruction. Co-curricular activities (420) are carried out under the guidance and supervision of LEA staff and are designed to enhance student motivation, enjoyment, and skill improvement.

These activities include band, chorus, choir, speech, and debate. They also include student-managed activities such as "Class of 200X," chess clubs, senior proms, and Future Farmers of America. School-sponsored athletics (490) usually involve interscholastic competition, which frequently generates gate receipts or fees.



**NOTE:** If such activities are profit-making ventures that receive most of their support from receipts rather than local government, these activities should be reported under Enterprise Operations. See Part IIIB, Non-Instruction.

## **II. SUPPORT SERVICES (2000)**

Support services provide administrative, technical (e.g., guidance and health), and logistical support to facilitate and enhance instruction. These services are adjuncts that help to fulfill the objectives of instruction, community services, and enterprise programs rather than entities in themselves. The 1990 Handbook identifies the following nine Support Services sub-functions:

**Student Support Services (2100):** attendance and social work, guidance, health, psychological services, speech pathology, audiology, and other student support services;

**Instructional Staff Support Services (2200):** instructional improvement, education media (library and audiovisual), and other instructional staff support services;

**General Administration Support Services (2300):** board of education, executive administration;

**School Administration Support Services (2400):** office of the principal, full-time department chairpersons, graduation expenses;

**Business Support Services (2500):** fiscal services (such as payroll); purchasing, warehousing and distribution; printing, publishing, and duplicating; and other business support services (note: 2500 is grouped with 2800 and 2900, below, in the "Other Support Services" category);

**Operation and Maintenance Services (2600):** supervision of operations and maintenance, operating buildings (heating, lighting, ventilating, repair, and replacement), care and upkeep of grounds and equipment, vehicle operations and maintenance (other than student transportation), security, and other operations and maintenance services;

**Student Transportation Support Services (2700):** supervision, vehicle operation,

monitoring, vehicle servicing and maintenance, and other student transportation services;

**Central Support Services (2800):** planning, research, development, and evaluation; information; staff; data processing; and other central support services;

**Other (2900):** all other support services not classified elsewhere in the 2000 series.

**NOTE:** The last two items – Central Support Services and Other – are combined with Business Support Services under a single heading, “**Other Support Services**” in the survey.

## Support Services--Students (2100)

II. SUPPORT SERVICES (2000)	Students (2100)	Instructional Staff (2200)	General Administration (2300)
<b>1. Salaries (100)</b> [Include gross salary while on the payroll of the LEA.]	Note: Include salaries only for staff in footnote 2. \$ _____	Note: Include salaries only for staff in footnote 3. \$ _____	Note: Include salaries only for staff in footnote 4. \$ _____
<b>2. Employee benefits (200)</b> [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	Note: Include employee benefits only for staff in footnote 2. \$ _____	Note: Include employee benefits only for staff in footnote 3. \$ _____	Note: Include employee benefits only for staff in footnote 4. \$ _____
<b>3. Purchased Services (300-500)</b> [a. Include the services of medical doctors, social workers, psychologists, psychiatrists, audiologists and other consultants providing for student needs. b. Include expenditures for instructional staff (see footnote below). c. Include the services of legal firms, election services and staff relations and negotiations services. Travel for these staff is also included in a, b or c as appropriate.]	Note: Only include 3a here \$ _____	Note: Only include 3b here \$ _____	Note: Only include 3c here \$ _____
<b>4. Supplies (600)</b> [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are attendance supplies, medical supplies, films, tapes, paper supplies, books and periodicals.]	\$ _____	\$ _____	\$ _____
<b>5. Property (700)</b> [Include expenditures for furniture and fixtures, as well as desks, file cabinets, typewriters, duplicating machines, computers, audiovisual equipment and the like.]	\$ _____	\$ _____	\$ _____
<b>6. Other (800)</b> [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees.]	\$ _____	\$ _____	\$ _____
<b>Support Services Expenditures Subtotal (2100-2300)</b> [DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]	<b>Subtotal 2100</b> \$ _____	<b>Subtotal 2200</b> \$ _____	<b>Subtotal 2300</b> \$ _____

## Support Services—Students (2100)

## **Introduction**

Student Support Services are activities designed to assess and improve the well-being of students and to supplement the teaching process. These activities support and assist students by providing services in attendance, social work, counseling, guidance, health, hearing, and speech.

### **Staff**

This category includes staff in areas such as health, attendance, and social work; guidance; psychology; speech pathology; audiology; physical therapy; and occupational therapy.

### **Activities**

Include activities designed to improve student attendance, mental, and physical health. Registration activities for adult education are to be reported in this function. Also include student record services and supervision of student support staff services here.

Include attendance supplies, medical supplies, films, tapes, paper supplies, books, and periodicals in support of the activities in this function.

## **Support Services--Instructional Staff (2200)**

### **Introduction**

Instructional Staff Support Services are activities associated with assisting the instructional staff with both the content and process of providing learning experiences for students.

Include activities that support the instructional program and its administration such as curriculum improvement services, and library and media support. Report fees, salaries, travel expenses, employee benefits, and payment for sabbatical leave when applicable.

### **Staff**

Staff in this category includes supervisors of instruction, curriculum coordinators and in-service training staff; school library, audiovisual, and educational television staff; and staff engaged in the development of computer-assisted instruction.

### **Activities**

This category includes the following three service areas:

**Improvement of instruction:** Instruction and curriculum development, instructional staff training, supervision, and other services whose goal is to improve instructional services. Such activities include purchased services of curriculum developers and individuals who make presentations at workshops, demonstrations, and school visits. Also included are expenditures for courses taken for college credit by LEA staff and other staff training programs.

**Educational media services:** School libraries, audiovisual services, educational television, supervision of educational media services, and other educational media services. Internet hook-up services should also be included here. Fees for on-line computer information retrieval services for students such as computer bulletin boards and databases are also recorded here.

Include expenditures for supplies include library books and periodicals (but NOT textbooks, which are reported under expenditures for instruction), films, slides, tapes, videotapes, television programs, reference books, and other books and periodicals used by staff for purposes other than classroom instruction.

**Other support services:** Services in support of the instructional staff that are not covered by either of the other two categories.

**NOTE:** Library books may be reported in the supplies object for this function. However, library books used to stock a **newly built library** should be reported as capital outlay.

## **Support Service--General Administration (2300)**

### **Introduction**

General Administration Support Services area activities concerned with establishing and administering policy for operating the LEA.

General Administration Support Services cover two key categories

Board of education services include supervision of board of education services, board secretary/clerk services, board treasurer services, election services, tax assessment and collection services, staff relations and

negotiations services, and other board of education services.

Executive administration services include the office of the superintendent, community relation services, state and federal relations services, and other executive administration services.

**Staff**

Include special area administration personnel such as Title I (ESEA) program staff. Include school board personnel including the supervisor. Include staff that work on tax assessment and treasury board services. Salaries and benefits for school board members and their staff should be included here. Expenditures relating to the principal's office should be reported as school administration.

**NOTE: DO NOT include the chief business official or the official's staff and activities.** Report expenditures for such staff in Support Services Business (2500). Central Support Staff in planning, research, development and evaluation and data processing should not be reported here, but in Central Support Services (2800).

**Activities**

Include expenditures for legal services, elections, staff relations and negotiations, grant procurement, community relations, and tax assessment and collection services. Report fees, salaries, travel expenses, employee benefits, and payment for sabbatical leave when applicable.

Other examples include paper supplies for school board election materials and printing of school district budget information.

SUPPORT SERVICES	School Administration (2400)	School Administration (2400)	Student Transportation (2700)
<b>1. Salaries (100)</b> [Include gross salary while on the payroll of the LEA.]	Note: Include salaries only for staff in footnote 5. \$ _____	Note: Include salaries only for staff in footnote 6. \$ _____	Note: Include salaries only for staff in footnote 7. \$ _____
<b>2. Employee benefits (200)</b> [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	Note: Include employee benefits only for staff in footnote 5. \$ _____	Note: Include employee benefits only for staff in footnote 6. \$ _____	Note: Include employee benefits only for staff in footnote 7. \$ _____
<b>3. Purchased Services (300-500)</b> [a. Include the services of consultants, school scheduling firms, and administrative staff inservice training. b. Include the services of maintenance companies, security services, equipment repair companies and grounds upkeep concerns. c. Include the services of student busing companies and handicapped transportation services.]	Note: Only include 3a here \$ _____	Note: Only include 3b here \$ _____	Note: Only include 3c here \$ _____
<b>4. Supplies (600)</b> [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are books and periodicals, energy expenditures, services received from utility companies, food expenditures from school food service programs, and routine auto and bus maintenance.]	\$ _____	\$ _____	\$ _____
<b>5. Property (700)</b> [Include expenditures for furniture and fixtures, as well as desks, file cabinets, computers, vehicles and machinery.]	\$ _____	\$ _____	\$ _____
<b>6. Other (800)</b> [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees.]	\$ _____	\$ _____	\$ _____
<b>Support Services Expenditures Subtotal (2400-2700)</b> [DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]	Subtotal 2400 \$ _____	Subtotal 2600 \$ _____	Subtotal 2700 \$ _____

## **Introduction**

School Administration Support Services are activities concerned with overall administrative responsibility for a school.

### **Staff**

Staff includes school principals, vice principals, administrative assistants, other principal's office staff, head teachers serving as principals, and full-time department chairpersons and their staffs.

### **Activities**

School Administration Support Services focus primarily on the activities of the office of the principal, which are concerned with directing and managing the operation of a particular school. This category includes activities performed by the principal, assistant principal, and other assistants while they supervise the operations of the school, evaluate staff, assign duties, supervise and maintain school records, and coordinate school instructional activities with the policies and objectives of the LEA.

Also included are the activities of full-time department chairpersons, the work of clerical staff in support of teaching and administration, and expenses for graduation activities.

## **Support Services--Operations and Maintenance (2600)**

### **Introduction**

Operations and Maintenance of Plant Services are activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. These include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.

### **Staff**

Staff include the operations and maintenance supervisor; operations staff for services such as heating, lighting, ventilation, and repair and replacement of facilities and equipment; personnel responsible for the care and upkeep of grounds and equipment; security staff; and vehicle operations and maintenance staff.

### **Activities**

Expenditures for Operations and Maintenance Support Services include the costs associated with all services addressed above as well as building rental and property



insurance costs. Include the care and upkeep of equipment and vehicles for LEA staff also.

**NOTE:** DO NOT include student transportation staff and vehicles, included in 2700, and driver education staff and equipment, included in 1000.

Include purchased services of companies that provide maintenance, security, vehicle maintenance and equipment repair (EXCEPT for student transportation), and grounds upkeep.

Include expenditures for energy such as electricity and natural gas purchased from a public or private utility, bottled gas, gasoline, and oil and coal for heating. Energy expenditures should be included here rather than in Instruction (1000). Include general supplies such as paper towels and cleaning supplies.

Include expenditures for initial, additional, and replacement equipment such as machinery (e.g., lathes, drill presses, snow removal equipment, lawn mowers), vehicles, furniture and fixtures, and other equipment.

## **Support Services--Student Transportation (2700)**

### **Introduction**

Student Transportation Support Services are activities concerned with conveying students to and from school, as provided by state and federal law. This includes trips between home and school and trips to school.

### **Staff**

Staff includes student transportation supervisors and personnel responsible for vehicle operation and maintenance and student monitoring.

### **Activities**

Student Transportation Support Services include the following categories:

- supervision of student transportation services,
- vehicle operation services,

- student monitoring,
- vehicle servicing and maintenance,
- other student transportation services.

Include the purchased services of student busing companies and handicapped transportation services. Also report subsidized student transportation (e.g., families receiving a subsidies to offset the cost of transporting their children to and from school using public or private transportation).

Include expenditures for parts and materials required for routine vehicle maintenance, energy supplies such as gasoline, and general supplies.

Include expenditures for initial, additional, and replacement vehicles for transporting students including school buses, vans, automobiles, machinery, furniture and fixtures, and other equipment.

## II. SUPPORT SERVICES (2000)

	Other Support Services (2500, 2800, 2900)	Total By Object (100, 200, etc.)
<b>1. Salaries (100)</b> [Include gross salary while on the payroll of the LEA.]	<b>Note: Include salaries only for staff in footnote 8.</b>  \$ _____	\$ _____
<b>2. Employee benefits (200)</b> [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	<b>Note: Include employee benefits only for staff in footnote 8.</b>  \$ _____	\$ _____
<b>3. Purchased Services (300-500)</b> [ Include purchased business support services such as budgeting, payroll, financial accounting, internal auditing, purchasing, warehousing, printing and duplicating; purchased central support services such as planning, research, development, evaluations and data processing services. Travel for these staff is also included here.]	\$ _____	\$ _____
<b>4. Supplies (600)</b> [Include amounts paid for items that are consumed, worn out, or deteriorated through use. Examples are paper supplies, books and periodicals.]	\$ _____	\$ _____
<b>5. Property (700)</b> [Include expenditures for furniture and fixtures, as well as desks, file cabinets, computers, vehicles and machinery.]	\$ _____	\$ _____
<b>6. Other (800)</b> [Include miscellaneous expenditures for goods and services not mentioned above, such as staff membership fees. Include short-term interest payments here.]	\$ _____	\$ _____
<b>Support Services Expenditures Subtotal</b> <b>DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]</b>	<b>Subtotal 2500, 2800, 2900</b>  \$ _____	<b>Subtotal all support services (2100-2900)</b>  \$ _____

## **Support Services—Other (2500, 2800, 2900)**

### **Introduction**

The survey form combines the following three expenditure categories in the column entitled "Other Support Services":

**Business Support Services (2500)** are activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

### **Staff**

Staff includes the chief business officer, the supervisor of fiscal services, their staffs, and all staff involved in budgeting, payroll operations, financial accounting, internal auditing, purchasing, warehousing, and printing and duplication.

### **Activities**

Business Support Services include activities concerned with the fiscal operation of the LEA such as supervising fiscal services (the assistant superintendent, director, or school business official who directs and manages fiscal activities), budgeting services, receiving and disbursing funds, payroll services, financial accounting, internal auditing, property accounting, and other fiscal services.

These services also include purchasing; warehousing and distribution; printing, publishing, and duplicating services; and other business services.

**Central Support Services (2800)** are activities, other than general administration, which support each of the other instructional and supporting services programs. These activities include planning, research, development, evaluation, information, staff, and data processing services.

### **Staff**

Staff includes personnel involved in planning, research, development, evaluation, and data processing.

### **Activities**

Central Support Services include activities associated with conducting and managing programs of planning, research, development, and evaluation on a system-wide basis.

- Planning services include activities concerned with selecting or identifying the overall, long-range goals and priorities of the school system or a particular program. Planning also involves formulating various courses of action needed to

achieve these goals by identifying needs and the relative costs and benefits for each alternative.

- Research services include activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.
- Development services include activities that are part of the ongoing effort to improve education programs including the application of research findings in the school and classroom setting.
- Evaluation services include activities concerned with appraising specified data in view of the particular situation and the established goals.

Central Support Services also include:

- Information services such as supervision of information services, internal information, public information, management information services, and other information services;
- Staff services such as supervision of staff services, recruitment and placement, staff accounting, in-service training for non-instructional staff, health services, and other staff services; and
- Data processing services including supervision of data processing services, systems analysis, programming, and operations, and other data processing services.

**Support Services--Other (2900).** Includes Support Services staff not covered by other support services categories (2000 series).

- Business Support may include such purchased services as budgeting, payroll, financial accounting, internal auditing, purchasing, warehousing and distribution, and printing and duplicating.
- Central Support may include such purchased services as planning, research, development, evaluation, and data processing services.
- Support Services--Other may include purchased services not covered by other support services categories (2000 series). Include fees/salaries, benefits, travel, and sabbatical leave for purchased services staff.

**Instructions for Calculating Support Services Subtotal**

The support services subtotals are calculated on the Internet form. Survey respondents using the paper form or other electronic formats should take great care in calculating the "Total" column at the end of the Support Services (2000 series) section of the survey. Add all of the functions to get a total-by-function. Add all of the objects to get a total-by-object. These two subtotals should match. Be careful not to include property expenditures in the function subtotals or the support services subtotal.

### III. OPERATION OF NON-INSTRUCTIONAL SERVICES (3000)

	Food Services Operations(3100)	Enterprise Operations (3200)
<b>1. Salaries (100)</b> [Include gross salary while on the payroll of the LEA.]	\$ _____	\$ _____
<b>2. Employee benefits (200)</b> [Include amounts paid by the LEA on behalf of employees. Examples are group insurance, social security contributions, retirement contributions, tuition reimbursement, unemployment compensation, workmen's compensation, and such other employee benefits as unused sick leave.]	\$ _____	\$ _____
<b>3. Purchased Services (300-500)</b> a. [Include purchased food service operations such as Pizza Hut, McDonalds, and SAGA. b. [Include purchased enterprise operations such as computer services, preschool, and handicapped.]	Note: Only include 3a here  \$ _____	Note: Only include 3b here  \$ _____
<b>4. Supplies (600)</b> a. [Include amounts paid for items such as silverware, trays, napkins, plates, etc.] b. [Include amounts paid for items such as computer diskettes, laser toner, etc.]	Note: Only include 4a here  \$ _____	Note: Only include 4b here  \$ _____
<b>5. Property (700)</b> a. [Include expenditures for oven, dishwasher, refrigerator, etc.] b. [Include expenditures for purchases of PCs, modems, printers.]	Note: Only include 5a here  \$ _____	Note: Only include 5b here  \$ _____
<b>6. Other (800); exclude Interest on Bonds (830)</b> [Put 830 in function 5100] [Include miscellaneous expenditures for goods and services not mentioned above.]	\$ _____	\$ _____
<b>Operation of Non-Instructional Services Expenditures Subtotal</b> [DO NOT include Property (700) in this subtotal. Sum 100-600, 800 for each column.]	\$ _____	\$ _____

Non-instructional services include Food Services for students and staff and Enterprise Operations. Although Community Services (e.g., child care programs) are within the 3000 function, they are recorded separately on the survey because Community Services are not part of the regular elementary and secondary education curriculum (pre-kindergarten through grade 12) and thus, are EXCLUDED from Current Expenditures.

## **Food Services Operations (3100)**

### **Introduction**

Food Services operations are activities that provide food to students and staff in a school or LEA.

### **Staff**

Personnel include staff involved in purchasing, planning, preparing, and serving meals to students and teachers and other staff in a school or school district. These include supervisors, nutritionists, cooks, servers, and other cafeteria workers providing meal services.

### **Activities**

These services include preparing and serving regular and incidental meals or snacks in connection with school activities as well as delivery of food to schools. Gross food services expenditures should be reported even if the services receive substantial funding from federal nutrition programs. The value of **food commodities** received from USDA or other agencies and consumed by students or staff should be included also.

Include the services of firms that provide meals for students and staff such as Pizza Hut and McDonald's. Also include purchased cleaning and disposal services.

**Expenditures for supplies include the cost of food used in school food services programs** as well as items such as silverware, plastic utensils, trays, napkins, plates, and paper or other types of disposable cups. The value of food commodities received from USDA or other agencies and consumed by students or staff should be included also.

Include expenditures for machinery and equipment such as ovens, dishwashers, and refrigerators.

**NOTE:** If food services are run as enterprise operations in your state, note this practice in the area provided on the forms. Expenditures are still recorded in 3100, not Enterprise Operations (3200).

## **Enterprise Operations (3200)**

### **Introduction**

Enterprise Operations are financed and operated in a manner similar to private businesses. They receive most, if not all, of their financing from receipts for the goods or services they provide, and they may be operated as profit-making ventures.

### ***Identifying enterprise operations***

The criterion for inclusion in this category is not the type of activity, per se, but that the operation be run as a business, not as a regular government entity funded primarily with public revenues. However, Enterprise Operations sometimes receive supplemental local government funding to cover deficits, and this funding should be reported. Survey respondents should identify the types of enterprises being reported in the space below the Enterprise Operations column on the survey.

### ***Enterprise operations and government sponsored programs***

To understand the distinction between enterprise operations and government-sponsored education programs, consider the case of school athletic programs. If an athletic program is primarily financed by the LEA, it is considered a Student Body Activity--even if the program receives some funds from gate receipts, concessions, and other sources. However, if the program is financed primarily by the profits generated by the athletic events and related activities, expenditures would be reported under Enterprise Operations.

### **Staff**

Staff includes personnel who are employed by the enterprise at a school or school district.

### **Activities**

Examples include a local education agency providing computer services to neighboring LEAs on a fee basis and school bookstores financed through receipts from sales.



Expenditures reported in this category should be for activities that are part of the traditional pre-kindergarten-through-grade 12 public education program.

Other activities, such as day care or adult education classes, should be reported under community services or direct cost programs, even if they are operated as an enterprise.

#### IV. DIRECT PROGRAM SUPPORT

<b>IV. Direct Program Support</b> [Include expenditures by SEA or State made on behalf of LEA not classified elsewhere.]	<b>AMOUNT (omit cents)</b>
<b>a. Textbooks for Public School Children</b>  1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).  2. Property (700) [furniture, fixtures, equipment]	\$ _____ \$ _____
<b>b. Transportation for Public School Children</b>  1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).  2. Property (700) [furniture, fixtures, equipment]	\$ _____ \$ _____
_____ _____	_____ _____
_____	_____
<b>c. Employee Benefits for Public School Employees</b>  1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).  2. Property (700) [furniture, fixtures, equipment]	\$ _____ \$ _____
_____	_____
_____	_____
<b>d. Direct Program Support for Private School Students</b> [Include expenditures by SEA or State made for/on behalf of private school students.]	\$ _____

<p>e. Other Direct Program Support for Public School Students (specify program name on dotted line)</p> <p>-----</p> <p>-</p> <p>-----</p> <p>-</p> <p>1. Include objects 100, 200, 300-500, 600 and 800. DO NOT include Property (700).</p> <p>2. Property (700) [furniture, fixtures, equipment]</p>	<p>\$ _____</p> <p>\$ _____</p>
<p><b>Direct Support Subtotal</b>          [DO NOT include Direct Program Support for Private School Students (d) or any Property (700) in this subtotal. Sum a.1., b.1., c.1. and e.1.]</p>	<p>\$ _____</p>

## IV. DIRECT PROGRAM SUPPORT

### Introduction

As noted earlier, Direct Program Support is not a function itself but cuts across all functions as it refers to expenditures made by state education agencies for, or on behalf of, local education agencies. State financial contributions to LEA employee retirement funds are an example of Direct Program Support. States that pay the employer's contribution to retirement funds often do so by transferring money directly from the state treasury to the state retirement fund for public employees. Because local school districts never actually receive these funds, LEAs do not include them in year-end financial audit reports to the SEA. State practices vary greatly in this area, and survey respondents must check with other state agencies to identify any expenditures for, or on behalf of, local education agencies.

**NOTE:** NCES would prefer that SEAs report direct program support expenditures in the appropriate function and object rather than here. This section in the survey is only provided as a means for those states that cannot correctly report these expenditures.

### ***Direct Support Employee Benefits***

For example, employee retirement expenditures should be reported under each sub-function (Instruction, School Administration, etc.) as an employee benefit object expenditure (200). However, if the state makes a lump-sum transfer payment for the employer's contribution to retirement funds for all school districts in the state, it may not be possible to determine what the expenditure was for the Instruction (1000), employee benefit object (200), compared to the expenditure for the School Administration (2400), employee benefit object (200). In such a case, the state would complete the items for direct program support, because it cannot report in the correct expenditure sub-functions and objects.

### ***Other Direct Support***

Since this survey was first developed, there has been growth in contract schools. Some SEAs and LEAs do not collect detailed information on the expenditures for contract schools, but these expenditures should be included on the survey. If data for these schools is not available in sufficient detail to be included under the specific functions and objects of this survey, then we ask that the expenditures be reported under “Direct Program Support: e. Other Direct Program Support for Public Schools” and that it be labeled as “charter school expenditures” on the dotted line.

### **Expenditure Details for Direct Program Support**

The survey form lists five categories of Direct Program Support expenditures:

- a. Textbooks for Public School Children
- b. Transportation for Public School Children
- c. Employee Benefits for Public School Employees
- d. Direct Program Support for Private School Students
- e. Other Direct Program Support for Public School Students

Two figures are requested for each category:

- The sum of salaries, employee benefits, purchased services, supplies, and other.
- Property, including furniture, fixtures, and equipment.

Property is a separate item because property is not a component of Current Expenditures.

If your state has Direct Program Support expenditures for activities other than the first four categories, record them under Other Direct Program Support for Public School Students.

DO NOT include Support for Private School Students or property (700) in the Direct Program Support subtotal.

## V. CURRENT EXPENDITURES

<b>V. CURRENT EXPENDITURES</b> [Sum subtotals for I. Instruction (1000), II. Support Services (2000), III. Non-Instruction (3000) (but <u>not</u> Community Services) and IV. Direct Program Support (but <u>not</u> Private School Student Aid). DO NOT include any Property (700) in this total.]	\$ _____
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Add expenditures for:

- Instruction (1000),
- Support Services (2000),
- Non-instructional Services (3000) (except for Community Services [3300]),
- Direct Program Support (except for Support for Private School Students).

Care should be taken not to include any property (700) expenditures. As noted earlier, the 1990 Handbook specifically excludes property from the definition of "Current Expenditures."

## **VI. FACILITIES ACQUISITION AND CONSTRUCTION SERVICES (4000)**

<b>VI. Facilities Acquisition and Construction Services (4000)</b>	
<b>1. Non-Property Expenditures (Construction) (4100-4900)</b> [Include salaries (100), employee benefits (200), purchased professional and technical services (300), purchased property services (400), other purchased services (500), supplies (600) and other expenditures (800).]	\$ _____
<b>2. Property Expenditures</b> [Include Land and Improvements (710), and Land and Existing Buildings (720).]	\$ _____
<b>3. Equipment</b> [Include expenditures for the initial purchase of newly constructed or renovated schools, and replacement items of equipment (730).]	\$ _____

### **Introduction**

Facilities Acquisition and Construction Services (FACS) includes building construction, remodeling and additions, acquisition of land and existing buildings, and equipment and other materials for new, renovated, or expanded schools. This category also encompasses architectural and engineering services including the development of blueprints.

### **Expenditure Details for Facilities Acquisition and Construction Services**

#### **1. Non-property Expenditures--For Buildings Built and Alterations Performed by Contractors (4100-4900).**

This item is for all construction costs associated with building schools and other structures required by local school districts. Include:

- All construction costs for new buildings
- Expenditures for renovations, additions, or improvements to existing buildings if already acquired by the LEA
- Expenditures on the materials used in construction

- Expenditures for improvements to land and sites (after they are acquired by the LEA)
- Construction costs for temporary buildings and classrooms
- Payments to contractors for construction and planning services
- Expenditures for designing, blueprints, and other costs necessary for the construction of facilities.

Also include expenditures for technical services (340), which although not considered professional, require basic scientific knowledge, booklet skills, or both. **Report expenditures for wiring for Local Area Networks (LANs) and Internet here.**

Expenditures for acquiring existing (already built) structures and for purchasing land should be reported under Land and Existing Buildings. Financing costs associated with facilities acquisition and construction should be reported under Other Uses, Debt Services

**NOTE:** DO NOT include property expenditures in Non-property (4100-4900). Property expenditures should be reported under 2. Property expenditures (710) and (720) and 3. Equipment(730).

## **2. Land (710) and Existing Buildings (720).**

Report expenditures for the purchase of land, as well as expenditures for acquiring existing (already built) structures. Expenditures for improvements to land (streets, curbs, drains, etc.) should only be included here if they are special assessments against the LEA. Also include the purchase of air rights, mineral rights, etc., if applicable. Construction expenditures should be reported under Non-property expenditures; however, the purchase of existing structures should be reported here.

**NOTE:** DO NOT include expenditures for improving sites and adjacent ways after acquisition by an LEA, such expenditures are reported under construction (450) or technical services (340) – FACS, Non-property. This category (710) is used only when purchases are made with governmental funds.

### 3. Equipment (730).

Report expenditures for initial, additional, and replacement equipment including machinery, vehicles, and furniture and fixtures. **Expenditures for the initial purchase of property items such as books for a newly constructed library or equipment for a newly constructed laboratory should be included here** as well. Expenditures for the same items but for already existing structures should be reported as supplies (books) or property (lab equipment) under Instruction (1000) or Support Services (2000).

## VII. OTHER USES (5000)

<b>VII. OTHER USES (5000)</b> [Include debt service payments (principal and interest).]	
<b>a. Debt Service (5100)</b> [Include only long-term debt service (obligations exceeding one year).]  1. Interest (830) [Include only long term. Interest on current loans (repayable within one year of receiving the obligation) is charged to 2513 and should be reported under Other Support Services - Other (2500-800).]  2. Redemption of Principal (910)	          \$ _____ \$ _____
<b>Other Uses Subtotal</b>	\$ _____

### Introduction

A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary controls. These include debt service (5100) payments--both principal and interest. Normally, only long-term debt service--obligations exceeding one year--are reported here. The survey form includes separate lines for reporting interest and principal. (**Note:** Interest on current loans--repayable within one year of receiving the obligation--are labeled as Business Support Services--Receiving and Disbursing Funds Services [2513] and should be reported under Other Support Services - Other [2500-800].)

### Expenditure Details for Other Uses

Debt Service (5100). Include only long-term debt service (obligations exceeding one year).

1. Interest (830). Interest on long-term debt.
2. Principal (910). Redemption of principal on long-term debt.

## VIII. COMMUNITY SERVICES (3300)

<b>VIII. Community Services (3300)</b>  [Include expenditures for child care and community swimming pool.]  <hr/>	
1. Include objects 100,200, 300-500, 600 and 800. DO NOT include Property (700).  2. Property (700) [furniture, fixtures, equipment]	\$ _____  \$ _____  <hr/>

### Introduction

Community Services are activities that provide services to students, staff, or community participants. Examples include community swimming pools, recreation or transportation programs for the elderly, and child care centers.

### Expenditure Details for Community Services

Report the following two figures:

1. The sum of the following object categories: salaries (100), employee benefits (200), purchased services (300-500), supplies (600), and other expenditures (800).
2. Property (700). Includes expenditures for machinery, equipment, furniture, fixtures, and vehicles.

If community services are operated as business (that is, as enterprise activities), this fact should be reported in a footnote on the survey and those enterprise expenditures



should be reported here, as community services.

## IX DIRECT COST PROGRAMS

<b>IX. DIRECT COST PROGRAMS</b> [Include here educational expenditures for other than public pre-K through 12 programs not shown above.]	
<b>1a. Non-Public School Programs (program #500)</b> [Do not include property (object 700).]	\$ _____
<b>1b. Adult Education (program #600)</b> [Do not include property (object 700).]	\$ _____
<b>1c. Community College (program #700)</b> [Do not include property (object 700).]	\$ _____
<b>1d. Other (specify program name on dotted line)</b>  ----- -  ----- -  ----- -	\$ _____
<b>2. Property (Object 700)</b> [Include property from Non-Public School Programs (#500), Adult Education (600), Community College (#700) and Other.]	\$ _____
<b>Direct Cost Programs Subtotal</b> [DO NOT include Property (Object 700) in this subtotal.]	\$ _____

## Introduction

Direct Cost Programs encompass expenditures by LEAs for education activities that are not considered part of the regular elementary and secondary education curricula (pre-kindergarten-grade 12). There are separate lines for three categories of Direct

## Direct Cost Programs

- Nonpublic School Programs,
- Adult Education,
- Community Colleges.

In addition, there are several dotted lines for reporting other Direct Cost Programs. A separate property (700) category is included. This section of the survey is for reporting expenditures for programs that are funded by school districts but are not part of the public education program. Expenditures reported here are for programs 500, 600, and 700 as defined in the 1990 Handbook.

No function codes are provided because all functions within these programs should be reported. Only report current expenditures (objects 100 through 600, and 800) for these programs in items 1a through 1d. Report only property expenditures (object 700) in item 2.

### **Expenditure Details for Direct Cost Programs**

**1a. Non-public School Programs (Program No. 500).** Report expenditures for services for students attending schools established by agencies other than states, subdivisions of states, or the federal government. These schools usually receive their primary financial support from nonpublic sources. Report expenditures for services paid for by local government (LEA) funds, not state funds.

**1b. Adult/Continuing Education Programs (Program No. 600).** Activities that develop knowledge and skills to meet the immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Adult basic education programs are included as well as career education.

The activities may foster the development of fundamental learning skills, prepare students for postsecondary careers or education programs, upgrade occupational competence, prepare students for a new or different career, develop skills and appreciation for special interests, or enrich the aesthetic qualities of life.

**1c. Community/Junior College Education Programs (Program No. 700).** Report expenditures for programs for students attending institutions of higher education that offer (in most cases) the first two years of college instruction. If an LEA is

responsible for providing this program, all program costs should be reported here. If the LEA is not responsible for providing this program, the survey respondent should enter a zero.

**1d. Other Direct Cost Programs.** The survey provides several lines for expenditures for additional Direct Cost Programs.

**2. Property (700).** Add equipment expenditures (property) from a, b, c, d above.

**Subtotal--Direct Cost Programs.** Add expenditures for Nonpublic School Programs, Adult Education, Community Colleges, and Other Direct Cost Programs. DO NOT include Property (Object 700) in the subtotal.

## X. PROPERTY (700)

<b>X. PROPERTY (700)</b> [Total from Property in Instruction (I), Support Services (II), Operation of Non-Instructional Services (III), Direct Program Support (IV), Facilities Acquisition (VI), Community Services (VIII) and Direct Cost Programs (IX).]	<div style="border-bottom: 1px solid black; text-align: right;">\$</div>
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Add equipment (property) expenditures for Instruction (I), Support Services (II), Operation of Non-instructional Services (III), Direct Program Support (IV), Facilities Acquisition (VI), Community Services (VIII), and Direct Cost Programs (IX).

## XI. TOTAL EXPENDITURES

<b>XI. TOTAL EXPENDITURES FOR EDUCATION</b> [Sum Current Expenditures (V), Non-Property Expenditures from Facilities Acquisition (VI), Community Services (VIII), Direct Cost Programs (IX) and Property (X). DO NOT include Other Uses (VII).]	<div style="border-bottom: 1px solid black; text-align: right;">\$</div>
--	--

Add Current Expenditures (V) (including expenditures for Instruction, Support Services, Operation of Non-instructional Services, and Direct Program Support), Non-property Expenditures from Facilities Acquisition (VI), Community Services (VIII), Direct-Cost Programs (IX), and Property (X). This total should include all expenditures for public elementary and secondary education in your state. To avoid double-counting, DO NOT INCLUDE Other Uses (5000) (VII).

## XII. EXCLUSIONS FROM CURRENT EXPENDITURES FOR PURPOSES OF DETERMINING SPPE

XII. EXCLUSIONS FROM CURRENT EXPENDITURES FOR PURPOSES OF P.L. 100-297	AMOUNT (omit cents) (shaded areas need not be completed)
a. Tuition paid by individuals (1310)	obtained from p. 1 (1310)
b. Transportation fees paid by individuals (1410)	obtained from p. 1 (1410)
c. Title I expenditures [Note: DO NOT simply restate revenues received. This item to contain expenditures.]	\$ _____
d. Title I carryover funds	\$ _____
e. Expenditures from funds received under Part A of Title V as amended by the No Child Left Behind Act. [Note: DO NOT simply restate revenues received. This item to contain expenditures.]	\$ _____
f. Expenditures from carryover funds from Title VI as amended by the Improving America's Schools Act or from carryover funds from Part A of Title V as amended by the No Child Left Behind Act.	\$ _____
g. Food Service revenues (1600-1630)	obtained from p.1 (1630)
h. Student activities revenues (1700-1790)	obtained from p.1 (1790)
i. Textbook revenues (1940)	obtained from p.2 (1940)
j. Summer School Revenues	obtained from p.2
Total Exclusions (sum a..j) NCES will compute this	

The remaining portions of this survey are devoted solely to calculating the State per Pupil expenditure (SPPE). The SPPE is a key component in the formula for allocating Title I and other Federal funds to state and school districts. The Title I amount to be

allocated is over \$10 billion. Therefore, this figure and the data leading up to its calculation are scrutinized by many people in the U.S. Department of Education and the U.S. Congress. These data are routinely audited by the U.S. Department of Education's Inspector General.

Part of the original Title I law states that the SPPE used for allocation purposes consists of current expenditures minus the exclusions listed on part XII of the NPEFS form. These exclusions include fees and charges to individuals, and the expenditures made from specific federal grants.

**Items excluded.** For purposes of calculating SPPE, expenditures (including carryover, see below) from certain federal grants as well as fees and other revenue from individuals must be SUBTRACTED from Current Expenditures. Section XII of the Financial Survey provides a list of revenues and expenditures to be subtracted. All of the revenues from individuals have already been reported in Local Revenues section of the survey and are automatically included in this category's subtotals. These numbers will be visible in the Internet form and the crosswalk form.

Federal law requires NCES to report net expenditures (expenditures minus revenues) for these programs.

The EXCLUSION list also includes expenditures and carryover funds for Title I and Part A of Title V (ESEA as amended by the No Child Left Behind Act of 2001). Under the No Child Left Behind Act (NCLB), Innovative Programs was moved from Title VI (as amended by the Improving America's Schools Act) to Part A of Title V.

Federal law permits states to retain Title I and Part A of Title V revenues for more than one fiscal year and to spend that money at a later date (often termed "carryover funds"). NCES excludes expenditures and carryover funds for ALL Title I programs.

Although the survey does not provide a separate place for reporting Title I and Part A of Title V spending in the expenditure sections, these funds must be included in the appropriate expenditure categories.

### **Provisions of No Child Left Behind (NCLB)**

#### ***Transferability under NCLB***

One of the provisions of the No Child Left Behind Act allows states to transfer federal grants in some programs to certain other programs (see ESEA sections 6121 through 6123). Federal Title I grants may NOT be transferred to other programs, but Part A of Title V grants may be transferred to other programs, and funds from certain federal

programs may be transferred into Title I or Part A of Title V programs.

States should only report the expenditures from the original Title I grant as Title I expenditures or Title I Carryover expenditures on the NPEFS survey. States should only report expenditures from the original Part A of Title V grant under No Child Left Behind (or Title VI under Improving America's Schools). Expenditures from the Part A of Title V grant should be reported on NPEFS regardless of whether the funds were spent on Part A of Title V programs.

Expenditures for Title I and Part A of Title V that are reported in the exclusions section of NPEFS must originate from the Title I or Part A of Title V grants. Carryover from the grants from the Title VI program under Improving America's Schools Act (that were available in FY 2001 or FY 2002) that are spend in FY 2003 should also be included in the Part A of Title V Carryover expenditures.

***Transfer funds only from initial allocations***

When reporting Title I and Title VI expenditures and carryover exclusions, only report expenditures and carryover exclusions from their initial allocations under those titles and do not include any expenditure of funds that were transferred to those titles under the transferability provisions.

***Additional guidance on transferability***

Additional guidance on transferability can be found on the U.S. Department of Education site at: <http://www.ed.gov/programs/transferability/legislation.html>.

The U.S. Department of Education web site on Public Law PL 107-110, the No Child Left Behind Act of 2001 is located at: <http://www.ed.gov/legislation/ESEA02/>

**Carryover Requirements and Title I**

The U.S. Department of Education's Title I, Part A: Policy Guidance Booklet establishes policies governing the use of Title I carryover funds based on the Title I law and other applicable federal laws and regulations. The Policy Booklet notes that Title I funds are initially available for a 15-month period, beginning on the July 1 preceding the federal fiscal year for which the funds are appropriated and continuing until the end of that fiscal year (September 30). If an LEA does not obligate all of its Title I allocation by the end of the federal fiscal year for which Congress appropriated

the funds, the LEA has the authority to obligate the remaining funds during a carryover period of an additional 12 months, subject to certain limitations. Thus, Title I allocations are available to LEAs for a maximum of 27 months.

The intent of the form is to collect financial information on Title I for a specific fiscal year, including (1) expenditures against Title I funds that were appropriated for the fiscal year or the school year in operation during the fiscal year being reported and (2) expenditures for the school year being reported that were made against funds that were appropriated for the prior fiscal year but remained available for obligation under the carryover provision in the Title I statute.

For this report, obligations as defined in section 76.707 of the Education Department General Administrative Regulations should be reported. For example, for the fiscal year 2001 NCES report, you should report all Title I obligations during school year 2002-03 that were made against the 2002-03 grant awards and against carryover funds from the 2001-02 grant awards.

### ***Carryover limitations***

No more than 15 percent of the Title I, Part A (subpart 2) funds allocated to an LEA for a given fiscal year may be carried over for an additional year. (This limitation applies only to LEAs that receive \$50,000 or more.) In addition, there are no percentage limits on carryover of school improvement funds (section 1003) and capital expenses funds (section 1002); Title I funds for state agency programs for migratory children (section 1002 (c)), and neglected and delinquent children (section 1002(d)); and Title I state administration funds (section 1603(c)).

### ***Carryover limitations - non-standard fiscal year***

Even if a state uses a fiscal year that is different from that of the federal government, the Title I carryover limitations are based on the 15-month period ending September 30. Although a state may establish a Title I project period that coincides with a different fiscal year (e.g., July 1 through June 30), LEAs are entitled to the Title I funds for the full 15-month period. The state may not apply the limitations on LEA carryover amounts until after September 30. SEAs should establish controls to ensure that LEAs do not use prior year funds that exceed the carryover limitations, and SEAs and LEAs should continue to account for Title I funds by grant year.

### ***Waiver of carryover limitations***

Under section 1127(b) of Title I, a state may grant an LEA a waiver, once every three years, of the percentage limitations on carryover funds if the SEA determines that the waiver is "reasonable and necessary" if a supplemental Title I appropriation becomes available.

## **Consolidating funds under ESEA**

Under the Elementary and Secondary Education Act of 1965 (ESEA), a State education agency (SEA) may consolidate state administrative funds under covered programs. Similarly, a local education agency (LEA) may consolidate local administrative funds under covered elementary and secondary programs, and combine in a school-wide program school funds from virtually any Federal education program administered by the Secretary. Title I and Title VI of the ESEA are covered programs. As a result, if an SEA or LEA consolidates those funds under any of these authorities, current expenditures of the Title I and Title VI funds will lose their specific program identify.

### ***Separating consolidated funds for NPEFS reporting***

In calculating “current expenditures” for the purpose of determining a State per pupil expenditure (SPPE) figure, an SEA must account separately for the expenditures of the Federal Title I and Title VI funds, even if those funds are consolidated.

In order to separate state and local expenditures of consolidated Title I or Title VI funds, the SEA should calculate the percentage of funds that Title I and Title VI contributed to a consolidated expense category, such as like school-wide programs, and apply those same percentages to the total expenditures in that category to estimate the expenditures of Title I and Title VI funds.

For example, if Title I, Part A contributed 20% of the funds in an LEA school-wide program and Title VI contributed 5%, the SEA would attribute 20% of the funds expended in the school-wide program, Part A and 5% to Title VI. These estimated amounts would then be excluded by the State in the respective Title I and Title VI accounts in its NPEF survey for the purposes of calculating SPPE. Other reasonable methods may also be used to attribute Title I and Title VI consolidated fund expenditures to the appropriate categories. If you use a method for separating consolidated Title I and Title VI fund expenditures, please note on your NPEFS submission that you have done so.



**XIII. NET CURRENT EXPENDITURES AS DEFINED IN THE  
ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (20 U.S.C.  
8801(11))**

<p>XIII. Net Current Expenditure as defined by Elementary and Secondary Education Act of 1965.</p> <p>[Subtract Total Exclusions (XII) from Current Expenditures (V)] (NCES will compute this)</p>	
--	--

Subtract total Exclusions (XII) from Current Expenditures (V). This is a computed field.

**XIV. AVERAGE DAILY ATTENDANCE (ADA)**

XIV. AVERAGE DAILY ATTENDANCE (ADA)	Use either method A or B
<p>A. ADA as defined by State Law</p> <p>[Append definition, statutory citation, length of school year and length of school day.]</p>	
<p>B. ADA as defined by NCES</p> <p>[The aggregate days of attendance of a given school during a given reporting period divided by the number of days in session during this period.]</p>	

**Introduction**

To obtain state per-pupil expenditures (SPPE) for use in determining federal program allocations, NCES divides each state's net current expenditure by the state's Average Daily Attendance (ADA). States may use one of two NCES-approved methods for reporting average daily attendance.

**The first method is to follow state laws** and regulations governing ADA. In state law, ADA must be reported in accordance with that definition.

**The second method** is to use the NCES definition of ADA. Method B may

ONLY be used in the absence of state legislation or regulations defining ADA. Only one ADA figure should be reported. DO NOT compute ADA using both Method A and Method B. Whichever method is used, every state must report ADA--aggregated to the state total--for every school district, local education agency, or special school for which expenditures are reported.

Average daily attendance refers to "resident attendance," defined in 20 U.S.C. 8801(I) as the average daily attendance of students residing within the boundaries of a local education agency. Students who reside in one state and attend school in another state should only be counted by the state in which the student resides. In this type of situation, the state in which the student attends school should be careful to exclude the out-of-state students from their ADA count.

### ***Current Expenditures and SPPE***

States must reconcile the total count of students in attendance with the number of students in attendance in programs covered by Net Current Expenditures. This means that a state must be able to identify the number of students in attendance for each of the programs included in Current Expenditures--and the expenditures for each program--in order to count the students in ADA.

### ***ADA - state law***

When state laws or regulations define average daily attendance or provide methods for calculating ADA, those definitions and methods must be used to report ADA in the Financial Survey. Survey respondents should become familiar with the laws and regulations regarding ADA in their states--as well as with instructions or rulings on ADA by the attorneys general of their states.

Federal law requires states to report ADA exactly as mandated by their laws and regulations even if state requirements differ from those of NCES regarding summer school attendance, partial-day attendance, excused absences, and other issues.

### ***ADA – NCES Definition***

States that have no laws or regulations governing the determination of average daily attendance are requested to use the NCES definition of ADA: The aggregate number of days of attendance at a given school during a given reporting period divided by the number of days in session during this period.

This definition requires every school or school district in a state to collect attendance every day it is in session and to record the number of days it is in session. The aggregate number of days of student attendance for each school or school district is divided by the number of days each school or school district is in session. To calculate the state total, add the figures for every school or school district in the state.

As with states that use their own laws or regulations governing ADA, **states that use the NCES definition must reconcile the total count of students in attendance with the number of students in attendance in programs covered by Net Current Expenditures.** This means that a state must be able to identify the number of students in attendance for each of the programs covered by Current Expenditures--and the expenditures for each program--in order to count the students in ADA.

**States should aggregate attendance figures at either the school or the school district level, but not both.** Combining attendance figures for schools and school districts would result in double counting because school district attendance figures include attendance figures for individual schools.

***Measure to nearest half day***

Student attendance should be measured to the nearest half day. A child who attends pre-kindergarten for three hours a day is considered a half-day student while a vocational education student who attends school for five hours a day is considered a full-day student.

**NOTE:** Summer school is considered part of the free public education program even if students pay a fee to attend. Therefore, summer school students should be included in the Average Daily Attendance figure.

**Figure 5**

**EXAMPLE OF CALCULATION OF AVERAGE DAILY ATTENDANCE (ADA)**

Collecting ADA on a daily basis from every school or school district in the state for both the regular school year and summer school, and totaling, the following numbers are obtained:

1. Total student days in attendance for regular school year: 685,288,968
2. Total student days in attendance for summer school year: 20,598,508
3. Average number of days schools are in session in regular school year: 182

[Note: although the state-mandated minimum is 180 days, the actual average should be used].

[Note: the number of days of summer school will not be used in the calculation].

**Calculation of State ADA:**

$$\begin{array}{rcl} \frac{(685,288,968 + 20,598,508)}{(182)} & = & \\ & & (705,887,476) \\ \frac{\text{-----}}{(182)} & = & 3,878,502.6 = 3,878,503 \end{array}$$

**XV. CALCULATION OF FEDERAL ENTITLEMENTS FOR TITLE I,  
(ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965), IMPACT  
AID, INDIAN EDUCATION, AND OTHER FEDERAL PROGRAMS**

	AMOUNT (omit cents)
XV. STATE PER PUPIL EXPENDITURE TO BE USED, IN PART, IN THE CALCULATION OF FEDERAL ENTITLEMENTS FOR TITLE I (ESEA), IMPACT AID, INDIAN EDUCATION AND OTHER FEDERAL PROGRAMS. [Divide XIII by XIV.] (NCES will compute this)	

Divide Net Current Expenditures (XIII) by Average Daily Attendance (XIV).  
NCES WILL COMPUTE.

**Figure 6.**

**Calculating SPPE**

**Step 1**

Current Expenditures - Exclusions = Net Current Expenditures

**Step 2**

Net Current Expenditures  
\_\_\_\_\_ = SPPE  
Average Daily Attendance

## Appendix A

### INTERNET DATA COLLECTION FOR THE NPEFS SURVEY

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[URL:www.census.gov/govs/www/npefs.html](http://www.census.gov/govs/www/npefs.html)

#### NPEFS Internet Data Collection Instrument

With the development of the Internet application by the U.S. Census Bureau for NPEFS data collection, we have decreased the paperwork burdens of both the respondent and our data analysts. The application provides respondents with additional tools to review respondent's data and helps decrease keying errors.

The application integrates all parts of NPEFS data collection.

- Help screens
- Instruction manual in .pdf
- Enhanced form printing capability
- Fiscal Data Plan
- Crosswalk Software
- File Transfer Protocol (FTP)
- Imputation review
- Digital confirmation by designated authorized official with instant receipt verification

The design of the web form was geared toward assisting respondents and analysts. The survey application includes displays of prior year data and built-in data validity checks. We have the instruction booklet on-line to help the respondent with the survey. For Crosswalk users, we have our User Guide to the Crosswalk Software. Within the application, we have instructions for filling out the web form and fiscal data plan that can be found by clicking the Help button.

Our analysts and our sponsor are able to view the web form in PDF format, and track the states that have responded to the survey.

We have the ability to run an up-to-the-minute reported data file and a report of all data plan responses.

We are able to immediately upload and review crosswalk data received in the h2form.db format.

## Instructions for Using the NPEFS Web Application

1. Access Web site using the URL above.
2. Choose the desired option from the links on the NPEFS Main Page.

### NPEFS HOME PAGE: DATA PLAN/NPEFS FORM

U.S. Census Bureau

## Federal, State, and Local Governments

Common Core of Data  
National Public Education Financial Survey  
(Data Respondent Web Site)

[Instruction Manual](#)



[NCES Privacy Policy](#)

[Back To Education Statistics](#)

The National Public Education Financial Survey (NPEFS) is a key component of the U.S. Department of Education's Common Core of Data (CCD), the annual collection of basic information about the nation's public elementary and secondary schools. The survey collects school finance data derived from administrative and fiscal records from the 50 state education agencies, the District of Columbia, and the outlying areas under U.S. jurisdiction.

#### Fiscal Data Plan

*password required to access the web-based form*

• [Fiscal Data Plan](#)

contains a list of questions that will assist in properly analyzing a state's data submission - a web-based form is provided for respondents to complete the Fiscal Data Plan

#### National Public Education Financial Survey



##### Data Collection Software

To provide for faster downloading, some of the files below have been compressed (into "self-extracting" files). Numbers in parentheses are approximate compressed/decompressed file sizes.

• [NPEFS Web Form](#)

web-based form provided for respondents to complete the NPEFS *(password required to access the web-based form)*

## NPEFS HOME PAGE CROSSWALK/FTP SECTION

- **Crosswalk (Xwalk) System** alternative reporting method for the NPEFS
  - [Highlights](#)  summary of the new and improved features of the Xwalk software
  - [Xwalk Manual](#)  the Xwalk software fiscal year 2003 user guide
  - [Instructions](#) instructions on how to download and install the Xwalk software and state data files
  - [Troubleshooting Guide](#) if you have problems installing or running the Xwalk software

### Xwalk Software


*The software translates the respondent's state data from their format to a matching Federal (H2R2) format.*

#### All Xwalk Users

full installation required - download the software installation file and your state data file  
[installation file](#) (11.9mb/17.4mb)

#### State Data Files

[\(View file sizes\)](#)

Select Your State 

all Xwalk users must download their state specific translation data file

## Data Submission

- [Submit Data Via FTP](#) electronic form to help you use FTP to submit your data files

## Contact Information


- Contact us by [email](#) or by phone at (800) 437-4196.

- 
3. Enter your password. Passwords are issued for CCD fiscal coordinators and authorized designated officials (ASOs). Passwords are re-issued when the states inform us that there are new coordinators and/or ASOs.



## WELCOME PAGE

[NPEFS Main Page](#) [Contact Us](#)

 **National Center For Education Statistics**  
DEPARTMENT OF EDUCATION

**National Public Education Financial Survey**

[INSTRUCTIONS  
MANUAL](#)  
[SYSTEM  
REQUIREMENTS](#)  
[BURDEN  
STATEMENT](#)  
[PDF FORM](#)  
[NEWSLETTER](#)  
[POLICY  
STATEMENT](#)  
[DEPARTMENT OF  
EDUCATION](#)

**WELCOME TO THE  
NATIONAL PUBLIC EDUCATION FINANCIAL SURVEY  
Fiscal Year 2002  
(NPEFS)**

**AND  
FISCAL DATA PLAN**

Enter Your Password:

The purpose of the NPEFS form is to collect financial data related to Elementary and Secondary Education in the United States and in other nations - Section 406 (b) of the General Provisions Act, as amended (20 U.S.C. 1221e-1)

The purpose of the fiscal data plan is to have the respondent provide information that assists the Census Bureau and NCES to properly analyze each state's data submission as well as to gather information about new initiatives that affect elementary-secondary fiscal reporting. For questions regarding this collection contact:  
**govs.npefs@census.gov**

Phone: 1-800-437-4196  
Fax: 1-301-457-1540

*acting as collection agent*  
**USCENSUSBUREAU**  
*Helping You Make Informed Decisions • 1902-2002*

4. Choose one of the options on the Main Menu. You can choose to open a section of the survey, or print or check your data (view of CY/PY) once you have completed the survey. You can choose the fiscal data plan option or view and print your data.

## MAIN MENU

MAIN MENU	
<a href="#">SECTION 1</a>	<b>Section 1 - Revenue From All Sources</b>
<a href="#">SECTION 2</a>	<b>Section 2 - Expenditures - Instruction - 1000</b>
<a href="#">SECTION 3A</a>	<b>Section 3A - Support Services - 2100,2200,2300,2400</b>
<a href="#">SECTION 3B</a>	<b>Section 3B - Support Services - 2600,2700, (2800,2900,2900)</b> Support Services Total by Object (100,200,etc.)
<a href="#">SECTION 4</a>	<b>Section 4 - Operation of Non-Instructional Services - 3000</b> Food Services Operations (3100) Enterprise Operations (3200)
<a href="#">SECTION 5</a>	<b>Section 5 - Direct Program Support and Current Expenditures</b>
<a href="#">SECTION 6</a>	<b>Section 6 - Facilities Acquisition and Construction Services (4000)</b> Other Uses (5000) - Debt Service (5100) Community Services (3000) Direct Cost Programs: Property (700) Total Expenditures For Education

5. Please remember to fill out the Fiscal Data Plan. The data plan contains a list of questions that help the Census Bureau and NCES properly analyze each state's data submission. The data plan requests information about state's chart of accounts; catalogues each state's response to questions raised about subject matter areas, e.g., grants, school choice, charter schools, GASB statements., etc

## FISCAL DATA PLAN

**National Center For Education Statistics**  
DEPARTMENT OF EDUCATION

2002 National Public Education Financial Survey

**Fiscal Data Plan: FY 2002**

**1. CHART OF ACCOUNTS**

A revised chart of accounts for financial reporting appears in *Financial Accounting for Local and State School Systems: 2003 Edition*. This draft provides new guidance for reporting in accordance with the GASB requirements and contains new and revised account codes. The draft is available on the Finance website at <http://nces.ed.gov/ipeds/data/finacc/2003/2003.pdf>. Please refer to this document, review the changes described in Chapter I and Appendix A, and answer the questions below.

Do you have changes to your FY 2002 data?

☐ YES ☐ NO

If YES, please explain:

Do you report current expenditures for instruction-related technology? In the draft 2003 handbook these would include all current expenditures for function 2288 (instruction-related Technology), and the following objects with function 1000: 351 (Data Processing and Coding Services), 352 (Other Technical Services), 432 (Technology-related R and Maintenance), 443 (Purchase of Computers and Related Equipment), 535 (Communications), and 850 (Technology-related Supplies).

☐ YES ☐ NO

Do you report instruction-related technology property/equipment? In the draft 2003 handbook these would include all 700 objects under function 2288 (instruction-related Technology), objects 732 (Technology-related Hardware) and 735 (Technology-related Software) under 1000 (instruction).

☐ YES ☐ NO

- Data may be keyed. The column highlighted in yellow display prior year reported data. That column is write protected. If you wish to re-submit prior year data, please contact Census Bureau staff. Enter current year data in the right column.

## REVENUE SECTION OF SURVEY FORM

**REVENUE FROM FEDERAL SOURCES**

a. Grants-in-Aid Direct from the Federal Government (4100,4300)	0	0
b. Grants-in-Aid from the Federal Government through the State (4200,4500)	0	0
c. Grants-in-Aid from the Federal Government through other Intermediate Agencies (4700)	0	0
d. Other Revenue from Federal Sources (4900,4900)	0	0
<b>Federal Sources of Revenue Subtotal(4000)</b>	0	0
<b>Sum a-d</b>	0	0
<b>Calculated Total</b>		0

- Calculated subtotals and totals are highlighted pink and are located under the field for the keyed total. If there is an addition error, you will receive a prompt before you move to the next page.

## ADD-CHECK DIALOGUE BOX

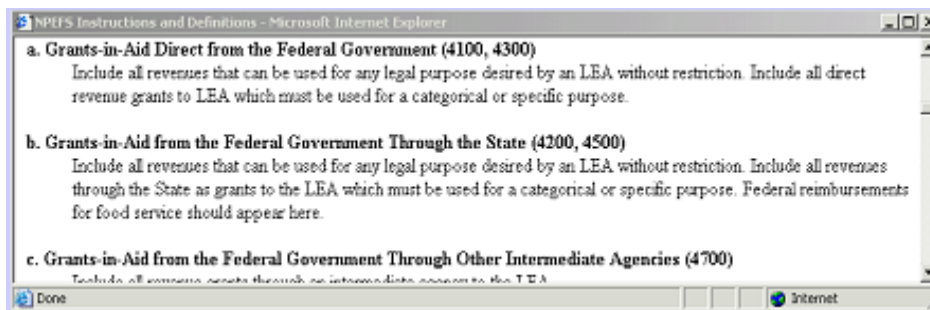


## REVENUE SECTION OF SURVEY FORM

REVENUE FROM FEDERAL SOURCES			
a. Grants-in-Aid Direct from the Federal Government (4100/4300)	0		
b. Grants-in-Aid from the Federal Government through the State (4200/4500)	0		
c. Grants-in-Aid from the Federal Government through other Intermediate Agencies (4700)	0		
d. Other Revenue from Federal Sources (4800/4900)	0		
<b>Federal Sources of Revenue Subtotal(4000)</b>	0		
<b>Sum a-d</b>			
<b>Calculated Total</b>			

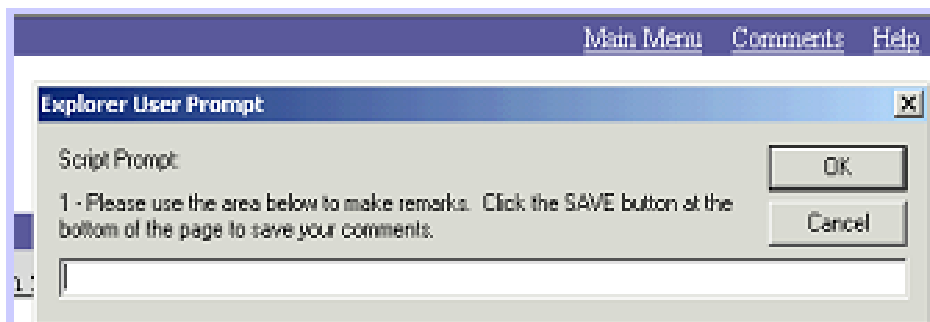
8. Notice the blue, lower case letters on the data entry pages. Click on the letter, and a corresponding definition of the data item will appear in the help screens. You can also get to the Help screens by clicking on the Help button at the top right hand sides of the Main Menu.

## HELP SCREEN



- 
9. Note the Comments option on the data entry pages. Within each section of the web form there is a feature for adding comments. If you report data for Direct Program Support, Other Direct Program Support for public school students, or Direct Cost Programs-Other, you must use Comments to list the names for all programs you report. You should also use comments to explain any data anomalies

## COMMENTS BOX



10. The flags have a drop-down box so that you can annotate missing (M) or not-applicable (N) fields.

#### FLAG MENU

The screenshot shows a web form titled "CURRENT AMOUNT" with a purple "F" flag. Below the title are three input fields, each containing the number "0". To the right of these fields is a drop-down menu. The menu is open, showing two options: "M" and "N". The "M" option is currently selected and highlighted in blue.

11. Save and submit your form..

- Save at the end of each completed section.
- Click and box and Save button at the end of section seven when the form is completed and you are ready to submit your data.
- Clicking the save box constitutes an official submission of your NPEFS data.
- Your form will be locked. You may not edit this data without contacting the Census Bureau so that they can unlock the form. Subsequent revisions are treated as re-submission of the NPEFS survey.

#### CLICK, SAVE, AND SUBMIT

The screenshot shows a web form titled "NET CURRENT EXPENDITURES as defined by Hawkins-Stafford Education Amendments of 1990 (P.L. 100-297) (Subtract Total Exclusions from Current Expenditures)". Below this title are several input fields, each containing the number "0". The fields are labeled "AVERAGE DAILY ATTENDANCE (ADA)" and "STATE PER PUPIL EXPENDITURES". Below the input fields is a "Save" button. A red box with a warning icon and the text "ONLY click here when form is ready for final submission and then Click Save" is overlaid on the "Save" button. Below the form is a Microsoft Internet Explorer window with a warning message: "Once you CLICK and SAVE the form, you have to call 1-800-437-4196 to make changes to your data." The "OK" button is visible at the bottom of the warning window.

12. Use the digital confirmation feature.

- Use the 15-digit password to affirm the authorized state official's review, concurrence, and approval of the survey data.
- Hit the submit button
- The approval is recorded in the Census Bureau's survey database.

This page may also be printed out and signed and mailed to the Census Bureau.

**NOTE:** Only an original signature is accepted in lieu of the digital confirmation. No e-mail or FAXed approvals are accepted.

**DIGITAL CONFIRMATION PAGE**

[Main Page](#)



**National Center For Education Statistics**  
DEPARTMENT OF EDUCATION

**ALASKA**

2003 National Public Education Financial Survey

**U.S DEPARTMENT OF EDUCATION  
NATIONAL CENTER FOR EDUCATION STATISTICS**  
**The National Public Education Financial Survey**  
**Fiscal year 2003**

NAME OF STATE

PERSON PREPARING THIS REPORT

TELEPHONE  -  -  EXT

NAME OF AUTHORIZED OFFICIAL

TITLE

PERFORM DIGITAL CONFIRMATION OR  
PRINT THIS PAGE, SIGN AND  
RETURN COMPLETED FORM TO:

Bureau of the Census  
ATTN: Governments Division  
Washington, DC 20233-6800

**CERTIFICATION:** I hereby certify that to the best of my knowledge and belief, the data reported in sections I-VII below constitute a true and full report of revenues, expenditures and student attendance during the regular school year and for summer school for the public elementary and secondary schools under this jurisdiction for purposes of public law 97-35, as revised by the Elementary and Secondary Act of 1965.

**Authorized State Official:** to approve data electronically enter your digital confirmation password below and click the "submit" button. After submitting, a thank-you screen will appear, this verifies your submission has been accepted.

DIGITAL CONFIRMATION  -  -

**SUBMIT**

SIGNATURE OF AUTHORIZED OFFICIAL

For further information about the NPEFS Internet Survey, please contact  
**Freda Spence, (800) 437-4196.**



## Appendix B

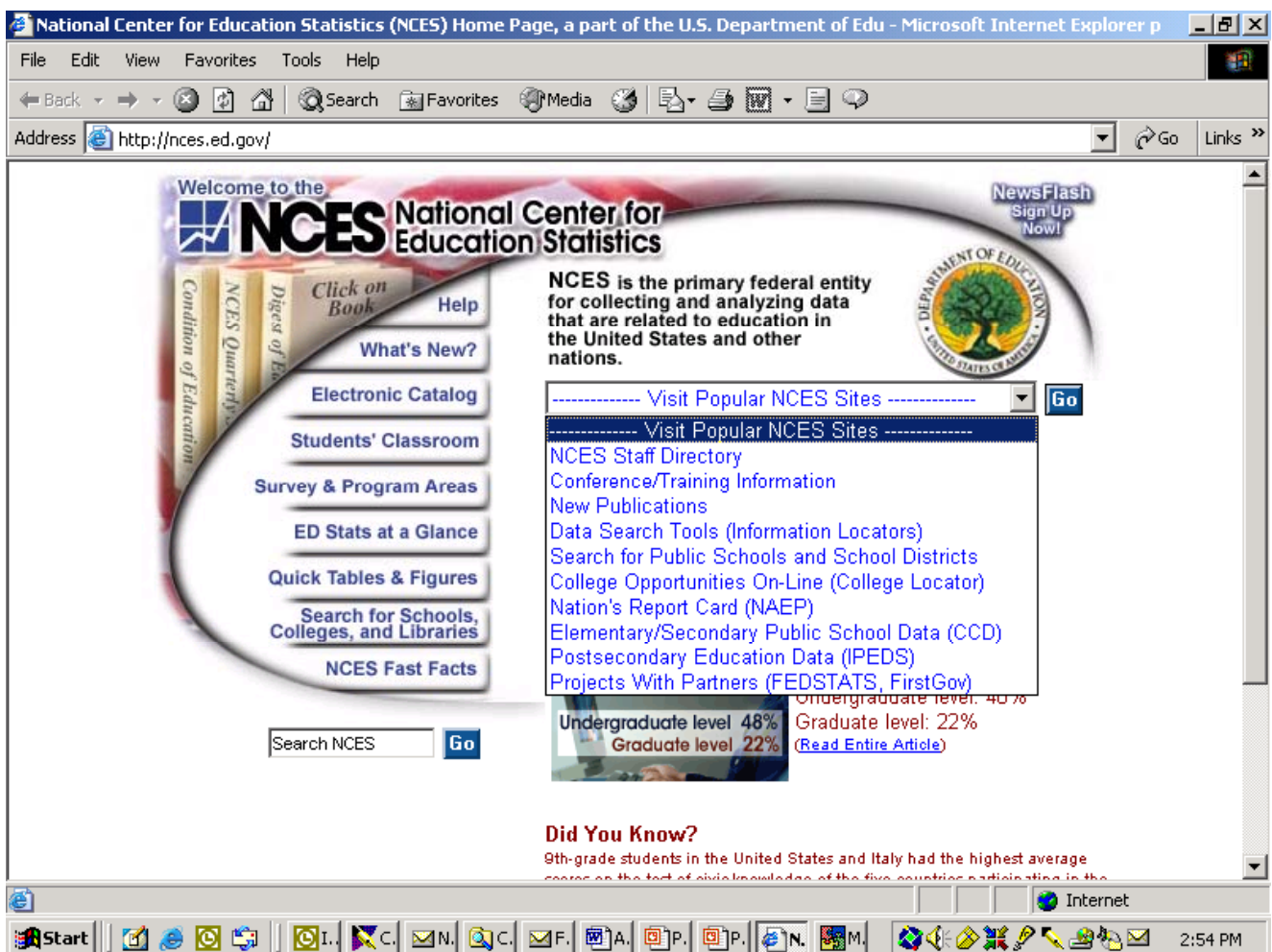
### NATIONAL CENTER FOR EDUCATION STATISTICS INTERNET SITE

URL: ( <http://nces.ed.gov/ccd/> ).

The National Center for Education Statistics is the primary federal entity responsible for collecting, analyzing, and reporting education data, as mandated by the United States Congress.

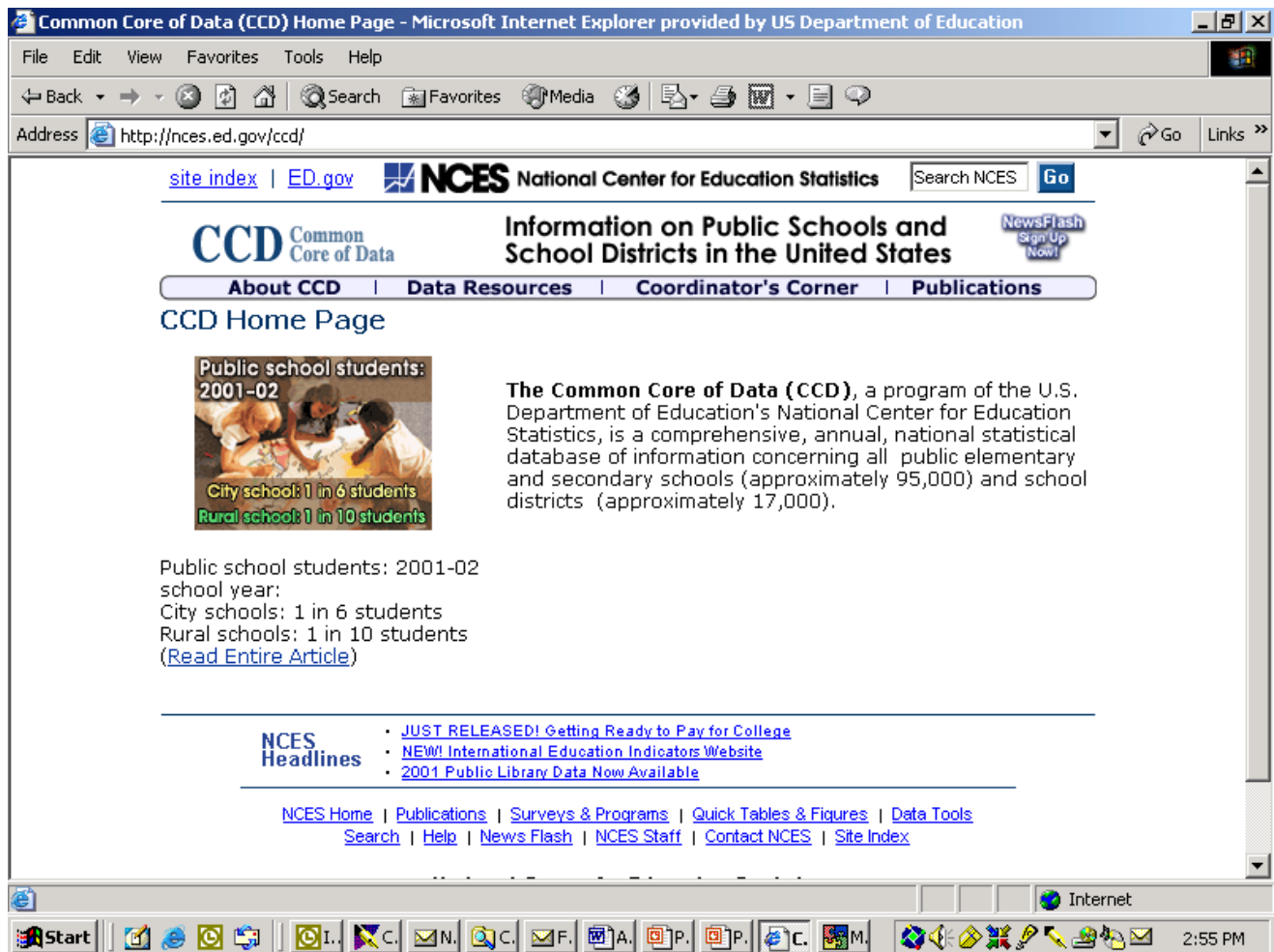
NCES maintains a web site that highlights its major programs and surveys.

#### NCES HOME PAGE



The CCD data collection is the definitive source for State and national data on public education revenues and expenditures. CCD fiscal data (NPEFS) is used in the formula for calculating Title I federal allocations to states.

## CCD HOME PAGE



From this page you can access CCD search tools, Data Resources, the Coordinator's Corner, and Publications. Also, you can access all of the CCD data collected in the last ten years or more.

**Data Resources:** All of the data collected, CCD reports, and information on CCD coordinators can be found from this site.

Coordinators Corner: List of all CCD data coordinators and contact information, list of state education agency web sites, information of CCD awards, and other coordinator resources (such as handbooks, survey instructions, and joining the CCD list serv).

Publications: You can access complete list of CCD publications by survey.

### The Digest of Education Statistics

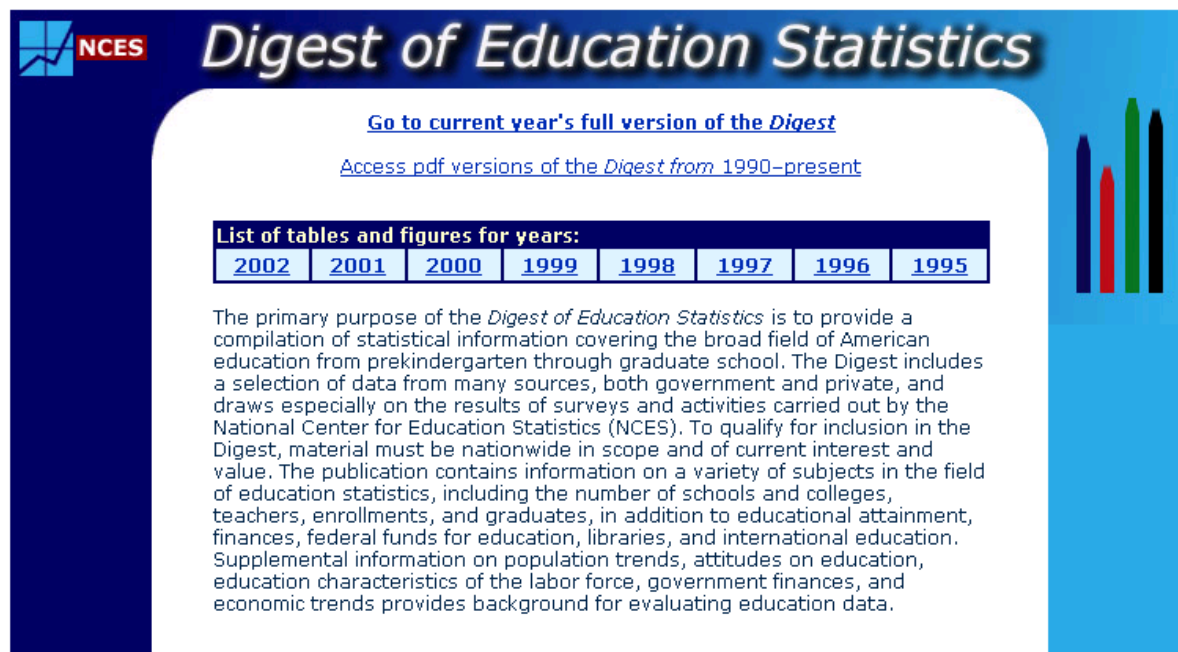
The Digest of Education Statistics is an annual publication of NCES that covers broad categories of the American education system from pre-K through graduate school. The Digest of Education Statistics web site URL is: <http://nces.ed.gov/programs/digest/>  
You can download the Digest tables as excel, Lotus or text files.

#### **DIGEST HOME PAGE**

[site index](#) | [ED.gov](#)

 **NCES** National Center for Education Statistics

Search NCES



The screenshot shows the homepage of the Digest of Education Statistics. It features a blue header with the NCES logo and the title "Digest of Education Statistics". Below the header, there are links to the current year's full version of the Digest and to pdf versions from 1990 to the present. A table lists the years 2002 through 1995. A large paragraph describes the purpose and content of the Digest. On the right side, there is a graphic of three vertical bars in blue, red, and green.

**Go to current year's full version of the *Digest***

[Access pdf versions of the \*Digest\* from 1990–present](#)

List of tables and figures for years:							
<a href="#">2002</a>	<a href="#">2001</a>	<a href="#">2000</a>	<a href="#">1999</a>	<a href="#">1998</a>	<a href="#">1997</a>	<a href="#">1996</a>	<a href="#">1995</a>

The primary purpose of the *Digest of Education Statistics* is to provide a compilation of statistical information covering the broad field of American education from prekindergarten through graduate school. The Digest includes a selection of data from many sources, both government and private, and draws especially on the results of surveys and activities carried out by the National Center for Education Statistics (NCES). To qualify for inclusion in the Digest, material must be nationwide in scope and of current interest and value. The publication contains information on a variety of subjects in the field of education statistics, including the number of schools and colleges, teachers, enrollments, and graduates, in addition to educational attainment, finances, federal funds for education, libraries, and international education. Supplemental information on population trends, attitudes on education, education characteristics of the labor force, government finances, and economic trends provides background for evaluating education data.

#### **NCES Headlines**

- [NCES Welcomes New Commissioner!](#)
- [Projections of Education Statistics to 2013 - Now on Web!](#)
- [NOW AVAILABLE! NCES Handbooks Online](#)

[NCES Home](#) | [Publications](#) | [Surveys & Programs](#) | [Quick Tables & Figures](#) | [Data Tools](#)  
[Search](#) | [Help](#) | [News Flash](#) | [NCES Staff](#) | [Contact NCES](#) | [Site Index](#)

**National Center for Education Statistics**

[Institute of Education Sciences, U.S. Dept. of Education](#)

(map) 1990 K Street, NW, Washington, DC 20006, USA, Phone: (202) 502-7300

For further information about the NCES/CCD website: Please contact:  
**Frank Johnson, NCES: (202) 502-7362.**

## Appendix C

### GOVERNMENTAL ACCOUNTING REFERENCE MATERIALS

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#### Financial Accounting for Local and State School Systems, 1990

A single copy of the handbook may be ordered at no cost by calling the National Library of Education at 1-(800) 424-1616. Multiple copies may be ordered from the U.S. Government Printing Office, Washington, DC 20402 (\$11 per copy) (Stock # 065-000-000414-3). You may use VISA and MasterCard. Call GPO at (202) 512-1803.

#### Financial Accounting for Local and State School Systems, 2003 Edition

This handbook is on the NCES website at  
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2004318>

#### Governmental Accounting and Financial Reporting (GAAFR)

The publication may be ordered from GFOA, 203 N. LaSalle St., Ste 2700, Chicago, Illinois, 60601-1210, Tel: (312-977-9700). The URL for this edition of the handbook is:  
<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=97096R>

#### Catalog of Federal Domestic Assistance (CFDA)

The catalog is available on magnetized tape, high-speed diskettes, and CD-ROM. Private individuals may purchase a hard copy of the catalog or an electronic media copy by writing: Federal Domestic Assistance Catalog Staff (MVS), General Services Administration, 300 7<sup>th</sup> Street, SW, Suite 101, Washington, DC 20407. You may order by telephone: (202) 708-5126.

You may also access the catalog at the CFDA website: <http://www.cfda.gov>

## Appendix D

## COURSES, TRAINING ACTIVITIES, AND INFORMATION SOURCES

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### ***Government Finance Officers Association (GFOA)***

Several professional accounting organizations offer classes in governmental accounting that may be helpful to those who are new to the school finance area. The Government Finance Officers Association (GFOA) presents classes several times each year at various locations throughout the country. GFOA also publishes Governmental Accounting, Auditing, and Financial Reporting, 1988 (GAAFR), which has gained widespread acceptance as an authoritative statement on the application of generally accepted accounting principles (GAAP) to state and local government. To order a copy of the GAAFR or to obtain information about accounting courses, call or write the association at 203 N. LaSalle St, Ste 2700, Chicago, Illinois 60601-1210, Tel: (312) 977-9700.

### ***Association of School Business Officers (ASBO)***

Courses in government accounting are also offered by the Association of School Business Officials (ASBO), 11401 North Shore Drive, Reston, Virginia 22091, Tel: (703) 478-0405.

### ***Governmental Accounting Standards Board (GASB)***

GASB is an independent professional organization whose purpose is to establish standards for accounting and financial reporting for state and local governments. A number of professional accounting organizations supported the creation of GASB in 1984, including the Financial Accounting Foundation, the American Institute of Certified Public Accountants, and the Government Finance Officers Association. GASB establishes standards by issuing pronouncements after appropriate due process. Final GASB pronouncements apply to all state and local government entities. Information on GASB publications may be obtained from the Governmental Accounting Standards Board, 401 Merritt No. 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116, Tel: (203) 847-0700.

### ***NCES Training***

NCES offers training for state fiscal staff at the annual Elementary and Secondary Education Data Conference (held in July). At the conference, NCES staff and invited speakers present a series of workshops, training sessions, and other activities designed to assist SEA staff in responding to the fiscal survey and other CCD surveys. Conference sessions also provide information about important issues and trends in

education finance and other topics, future NCES data collection efforts, and issues regarding the use of CCD data. In recent years, NCES has provided funds for three to four persons from each state to attend the Data Conference.

This year, NCES will also hold a new coordinator's workshop in Washington, D.C. Information on this workshop will be published in the newsletter and by Email.

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**Instruction Booklet**

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